

EXHIBIT - F

THE LOSS OF EARNINGS & BENEFITS
SUSTAINED BY

SGT. CHRISTOPHER D. FORAKER

Submitted to:

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SUMMARY OF FINDINGS

I have estimated the current market cost to replace the earnings losses incurred by Sgt. Christopher Foraker. I place the present value of required compensation at \$1,026,705 to \$1,225,925 assuming he had left the Department in September 2005 and \$1,618,119 to \$1,866,905 assuming he would have otherwise remained with the Department at age 55.

Had Sgt. Foraker left the police department on September 15, 2005 and started a new job in the firearms industry and now will earn a job in the range of \$30,000 to \$35,000 per year, the present value of cash earnings losses is \$671,269, to \$801,520. The higher estimate assumes continuous employment to age 67 in this new job, Sgt. Foraker's normal retirement age under Social Security, while the lower estimate is based on worklife expectancy, age 63.¹

I have also prepared an additional estimate that assumes Sgt. Foraker would have remained with the police department until an age 55 retirement, and then started a job in the firearms industry. In that case, the present value of cash earning losses is \$701,117 to \$863,775. In addition, in this case there are State Police pension losses with a present value of \$410,347.

To approximate his other fringe benefit losses, I have relied on national averages. According to the U.S. Chamber of Commerce, retirement and savings plans add an additional 7.3% to cash earnings, medical insurance another 10.5%, life insurance another .03%, and legally required benefits, Social Security, Worker's Compensation, Unemployment Compensation, add another 8.7%². In total, fringe benefits add 26.53% to cash salary for the average earner.

I am advised that any job he now finds will have minimal benefits. To provide a conservative estimate of losses I have added 15.0% to the cash losses, raising earning losses in the case of retirement in September 2005 to \$771,959 to \$921,748. Assuming retirement at age 55, fringe benefit losses raise earnings losses to \$806,284 to \$993,341 and total losses to \$1,216,631 to \$1,403,688.

¹ Cieka, James, Donley, Thomas, and Goldman, Jerry, *A Markov Process Model of Worklife Expectancies by Educational Attainment Based on Labor Market Activity in 1997-98*, Journal of Legal Economics, Volume 10, Number 3, Winter, 2000-01.

² U.S. Chamber of Commerce, *The 2001 Employee Benefits Study*, Table 1, Page 11, Published 2001.

These estimates are current market costs, based on the current market price for an annuity to replace the economic value of the losses he has sustained, and is likely to sustain, over time. It is therefore an actuarially reduced present value, taking into account Sgt. Foraker's year to year survival probability (life expectancy), taxes, and interest.

One final adjustment is necessary. The above estimates are after-tax loss estimates and compensation is fully taxable. In order to leave him in the same position after-taxes as he otherwise would be, an adjustment is necessary to account for taxation on the award. Assuming an effective tax rate of 25%, the estimates must be multiplied by 1.333, raising losses to \$1,026,705 to \$1,225,925 assuming he had left the Department in September 2005 and \$1,618,119 to \$1,866,905 assuming he would have otherwise worked to age 55.

Annuity prices change with changes in the money markets and interest rates, so while my analytical method will remain the same, this analysis will be updated at time of trial to reflect the market price for an annuity at that time. Should rates be higher than they are now, the resulting loss estimates will be lower. Alternatively, should rates be lower than they are now, resulting loss estimates will be higher.

INFORMATION PROVIDED BY COUNSEL

The information that follows has been provided to me by Counsel and outlines the basic elements of the case I have been asked to value. As various additional facts become known and/or stipulated to, my estimates may be revised to take those matters into account.

I have been provided with Sgt. Foraker's date of birth, December 4, 1962 and the date at which he was expected to be employed by the firearms industry, September 15, 2005. I am advised that the testimony will show that Sgt. Foraker's starting salary would have been approximately \$55,000 a year, plus a liberal fringe benefit package, rising to \$65,000 to \$75,000 within five to 10 years. I was also advised that the testimony would show potential bonuses of 10% to 20% and a rise to \$90,000 a year within ten to 15 years.

I have prepared two estimates of losses. First I have been asked to assume that Sgt. Foraker would have retired by September 15, 2005 to start a job with the firearms industry. To provide a conservative estimate of losses, I have used a 10% bonus amount. I ignored the possibility of promotion to Director and assumed that he would have started at \$55,000 a year plus a 10% bonus with an increase to \$70,000 a year plus a 10% bonus (in 2005 dollars) in eight years or by 2012.

Given the circumstances of his treatment by the State Police, I am advised that the testimony will show that a career in the firearms industry is not possible and instead he will be employed at a job paying \$30,000 to \$35,000 a year, with minimal benefits.

The second estimate of losses assumes that Sgt. Foraker would have remained with the police department until at retirement at age 55 and at that point would have started a job with the firearms industry at the amounts described above. In this case there are pension losses associated with his early retirement. His pension is based on 2.5% per year of service of his high three-year average salary plus 3.5% per year of service for every year over 20. I estimate that his pension assuming early retirement will be approximately \$38,734 per year while had he remained with the department until age 55, his pension would have been \$127,008 per year.

I have assumed that the Department pay scale would have increased by 3% per year and applied normal step increases to his pay as shown in the 2006 pay scales.

OVERVIEW OF METHOD

Economic losses may be computed in so-called "real" or after-inflation terms or in terms of nominal amounts, dollar losses without adjusting for purchasing power. Either calculation produces approximately the same answer. Typically in the "real" approach, historical rates of real earnings growth, in the range of 1% to 3% per year, and real interest rates, also in the 1% to 3% per year range, are cited as a reasonable forecast of these rates for the future.

I favor the alternative approach, one in which nominal rates of earnings growth and market interest rates are used. As stated above, I assumed normal step increases and a 3% per year increase in pay rates. For his civilian career, I use an earnings growth forecast prepared each year by the Social Security Administration³. This forecast produces earnings growth forecasts in the 3% to 4.2% per year range, inflation in the 2% to 3.3% range, and real earnings growth in the 1% range in real or after-inflation terms, consistent with U.S. economic history, as is typically cited in the after-inflation approach.

In place of an after-inflation interest rate forecast of bond yields for discounting I use the current market price for the purchase of an annuity to

³ Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, *2005 Annual Report of the Board*, Washington, D.C., March 23, 2005, Page 87, Table V.B1.

"discount" these future losses. Using a market price to purchase a contract to replace future income rather than a forecast for assumed future investment returns, real or nominal returns, eliminates this source of forecast uncertainty and provides, I believe, a more accurate assessment of the present value of losses than any approach that requires direct forecasting.

BASIS FOR FUTURE EARNINGS GROWTH ASSUMPTION

United States economic history demonstrates that both money income and real, or after-inflation earnings increase over time. First, over the past 50 years and measured in current dollars, average earnings have increased each year. Second, earnings tend to increase faster than prices; real earnings grow: the average annual rate of change in the average real wage in OASDI covered employment was 1.0 percent over the 40 years 1964-2003. Real earnings growth was 1.8%, in 1995, 1.1% in 1996, 3.4% in 1997, 4.8%, in 1998, 2.6% in 1999, 2.6% in 2000, -.8% in 2001, -1.0% in 2002, .4% in 2003 and 1.2% in 2004.

Real wage growth depends fundamentally upon productivity growth - and the best economic evidence available indicates that there is no negative trend in productivity. In fact, U.S. productivity growth has averaged approximately 1.6% per year from 1966 to 2000, not much different than productivity growth measured over a century. Increases in worker productivity result in a) higher profits, b) higher wages, c) lower prices or d) some combination of the three. The evidence further indicates that such performance is an appropriate expectation for the future.

ECONOMIC ASSUMPTIONS OF THE SOCIAL SECURITY SYSTEM

For the second career, I have incorporated the expectation of future wage increases into my analysis with the use of the Social Security economic assumption set prepared by the Social Security Administration for its annual report to the Congress of the United States⁴. By law, the Social Security Administration must report annually to the Congress of the United States on the expected financial status of the system, both in the short term and over the next 75 years. As a consequence of this legal requirement, and because both the taxes taken in and benefits to be paid out depend crucially on earnings growth and inflation, the Social Security Administration develops year-by-year estimates of expected, future, average earnings growth and expected future inflation.

These forecasts result from an analysis of past economic history including productivity growth, earnings growth, international trade issues, changes in

⁴ *2005 Annual Report of the Board*, Washington, D.C., Page 87, Table V.B1.

the labor force supply and demand, inflation, and for the first 10 years of the forecast period, short-term economic cycles as well. I use the so-called Intermediate Assumption Set, which represent the Social Security Administration's best estimate of the future, long run economic performance of the U. S. economy.

In my view, these estimates are consistent with U.S. economic history and current research, objective, and reasonably representative of the economic future. The growth rates I actually use are reproduced on my printouts and are taken from page 87 of the Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Trust Funds, Transmitted to the Congress March 23, 2005.

THE PRESENT VALUE OF FUTURE LOSSES

Given an estimate of year by year, expected losses, these future losses must be converted into a present dollar equivalent. While there are numerous financial instruments that might be used to establish the present value of a future loss, I perform my conversion using information on the current annuity market provided the United States Pension Benefit Guaranty Corporation (PBGC)⁵. These annuity prices are used to value all future losses. Note however, that while I estimate current market annuity prices for this analysis using the average prices reported by the PBGC methodology, any annuity from a solid company producing the same replacement income is an acceptable valuation alternative⁶.

PBGC is a United States Government agency charged with the responsibility of insuring pension plans in the event of employer default under the Employee Retirement Income Security Act (ERISA). As a consequence of that responsibility, PBGC monitors the annuity market and collects price data each month from a national sample of insurance and annuity companies. The PBGC Methodology permits the analyst to approximate the current price of an annuity found in this survey, given only the party's age and gender.

The methodology is essentially a method to distribute and disseminate current annuity prices. The prices, as stated above, come from a survey of the market and are not forecasts. Each month, the PBGC provides "discount rates", based on its survey results that are to be combined with its specific

⁵ United States Government, *Code of Federal Regulations*, 29 CFR Parts 2619 & 2676, Washington, D.C., September 28, 1993.

⁶ I estimate current market annuity prices for this analysis using the PBGC methodology, but any quality annuity contract producing the same replacement income is an alternative for the establishment of present value.

life table. Neither the specific life table nor the rates to be used, determine these annuity prices - which again, come from a survey.

These rates are not the yield on a specific financial instrument but rather rates, which when mathematically combined with the specific PBGC mortality tables (so-called 83GAM Tables), reproduces the findings of the PBGC annuity price survey for the age and gender of the party involved. Since price is known from the survey, if all analysts use the same life table (regardless of which table) a rate can be established to produce that price. Hence, PBGC rates are not traditional discount rates in the sense of expected yields or rates of return on a portfolio, but rather a technical instruction to implement the Methodology. The PBGC rates are applied to an actuarially reduced stream of income, reduced by year to year survival probabilities, and hence the implicit rates of return are higher than would be the case if the income stream was an unreduced flow certain, as in a typical discounting problem.

The PBGC price survey provides an accurate, cost-effective, and objective estimate of the actual, current market price required to purchase a future flow of income equal to the amount required to compensate the party for expected future losses. Implicitly, my compensation approach is to provide Sgt. Foraker with a cash payment sufficient to cover past losses and cash payment sufficient to purchase an annuity, a market-determined present value, to replace future losses.

I am not requiring that such an instrument actually be chosen for compensation purposes. I am using annuity prices as an indicator of the financial market's "tradeoff" between the value of future dollars and the value of present dollars, inclusive of available investments, the time period involved, cash requirements associated with compensation, and mortality considerations. PBGC price information is current, reflecting actual economic conditions in the money market in the month of the lost earnings analysis and in fact, is a function of the current yields on the professionally managed, investment portfolios of insurance or annuity companies that back these annuity contracts⁷.

⁷ The PBGC Methodology involves 2 components: the financial flow required to pay the annuity to individuals, and for groups of employees, an administrative cost component. Because I am dealing with an individual rather than a group of employees, I use only the financial flow. Administrative expenses are ignored and therefore my estimated annuity price may be somewhat below group annuity market prices.

The use of an annuity price to establish the discounted present value of future losses provides a number of advantages over the more familiar approach in which an analyst explicitly specifies an expected yield on a particular financial instrument or investment portfolio, typically bonds. Most importantly, an annuity price is an actual, market price at this point in time, not a forecast of future yields.

In addition, PBGC prices are objective, provided by the U.S. Government, and not prepared for the purpose of the litigation at issue. The price is a market price, favoring neither plaintiff nor defense and such prices are public information that may be easily verified by all parties to the litigation. Finally, an annuity provides for periodic payments, a flow of compensating income timed similarly to the losses that are expected to occur in the future. Regardless of the future course of interest rates, an annuity price provides the actual market cost today, to purchase the required future flow of compensating payments for future losses.

VALUATION ADJUSTMENTS

The annuity prices that PBGC monitors however, are taxable annuities and therefore the compensating income I calculate using these prices will be less than the income Sgt. Foraker would have earned had he not been injured. Ideally, the compensating instrument would be tax-free, so that the flow of compensation after tax would exactly equal the flow of income I seek to replace without the complication of taxes. Tax free municipal bonds represent one alternative financial instrument that could be used, but to do so gives up the advantage of using a current price and requires that a rate of return forecast be made for the damage period.

To approximate the price of a tax-free annuity, I calculate the approximate tax liability associated with the annuity payments and increase each year's payment such that after taxes, Sgt. Foraker would receive the amount I estimate that he has lost. This is similar to performing the analysis with tax-free municipal bonds but it maintains the advantages I believe exist when an annuity price is used for the future loss calculation. This adjustment increases the loss estimates by the present value of expected taxes on the compensation, just as the loss estimates would be increased if I used the lower yields associated with tax-free instruments.

This is the column labeled "Adjustment Required" on the attached printouts, Schedule 3. It should be noted however, that my analysis produces loss estimates both with and without this adjustment. The column labeled "Market Value @ PBGC" provides losses without the above tax adjustment. In the event that my adjustment is deemed inappropriate however, estimates are provided both with and without it.

LOSS ESTIMATES

Detailed printouts of my calculations are attached to this report. Three schedules are provided. Schedule 1 displays some of the basic data used in the calculation and various summary statistics that result from my calculations while Schedules 2 and 3 provide the year-by-year details of my estimates.

Schedule 2, Past & Expected Earnings Losses: Column 2 displays the rate of earnings growth used to increase Sgt. Foraker's earnings over time. These are the Social Security growth rates. Column 4 labeled "Gross Earnings, 2004 Dollars" displays my estimated earnings over time expressed in today's dollars and shows the estimated year by year earnings Sgt. Foraker would achieve over time. It is a benchmark calculation, useful for appraising the reasonableness of resulting estimates of future earnings.

The next column, Column 5, converts those dollars to so-called current dollars, dollars of the year in question, rather than in terms of today's purchasing power. Column 7 labeled "Earnings But For Termination" is self-explanatory. The next four columns are comparable, but concern earning given the Termination. The difference between earnings had the Termination not occurred and probable earnings now is my estimate of losses, Column 12 "Estimated Losses, Current Dollars".

Schedule 3, Annuity Cost to Replace Lost Earnings: Schedule 3 displays the conversion of these earnings loss amounts into actuarially discounted present or market values. Column 14 is the PBGC discount rates for the year in question while Column 16 shows the resulting annual discount factors. Column 17, "Estimated Losses, Current Dollars" on Schedule 3 is identical to Column 12, "Estimated Losses, Current Dollars" on Schedule 2, except that all past losses are adjusted to 2004 dollars. Column 18 shows the year to year survival probabilities given the person's age and sex. Column 19 shows the present value or market replacement cost of each payment valued using the PBGC annuity price.

As discussed above however, this annuity would have tax consequences to the recipient and would therefore result in less income than the party would have earned, had the termination not occurred. Column 20 labeled "Adjustment Required" provides my estimate of the tax consequences of the annuity and therefore the additional payment that would be required to leave Sgt. Foraker in the same economic status as he would have had without the termination. These augmented payments are then reduced for the probability of survival and again priced using the PBGC methodology to estimate annuity prices in Column 22.

Foraker, Termination, Earnings & Bonus Losses, Haverly

		EARNINGS SUMMARY SHEET		Would Have Started 9/15/2005
Date of Analysis:	28-Oct-05			
Name:	Foraker	Earnings Losses, Assuming Continuous Employment to Age:	67.00	\$801,520
Attorney's Name:	Gorman	Reduction Factor For Time Out of Labor Force, Ciecka, et.al.	16.3%	\$671,269
Income Replaced:	After-Tax			
PAST LOSSES:	15-Sep-05	To: 28-Oct-05		\$6,639
FUTURE LOSSES:	29-Oct-05	To: 3-Dec-29		
Before Discounting, Sum of Losses, If Party Lives & Works to Age:	67.00		\$1,361,340	
Annuity Value of Net Future Losses, PBGC Taxable Annuity Price:			\$773,226	
Annuity Value of Approximate Tax on Compensation:	2.80%		\$21,655	
Current Market Price to Buy Annuity equal to Future losses, Payment Stream Only:			\$794,881	
MARKET PRICE TO REPLACE FUTURE LOSSES, MONTH OF:		Oct-05		\$794,881
Benchmarks, Approximate Implied Growth - See Attached Tables for Actual Rates Used				
Earnings Capacity at Loss Start Date:	15-Sep-05		\$60,500	
Earnings Capacity as of Today, No Injury:	28-Oct-05		\$60,500	
Earnings Capacity as of Today, Injured	28-Oct-05		\$32,500	
PBGC Instruction Set, Rate for First 20 Years:	3.50%	PBGC Rate Years Thereafter:	4.75%	
Alternative Used for Analysis, Direct Discounting:			#N/A	
Annuity Price with Tax Adjustment Comparable to Tax-Free Bond Yield of:			3.39%	
Date of Birth of Party:	04-Dec-62	Date Injury First Caused Reduction in Earnings	15-Sep-05	
Age at Injury:	42.78	Age at End of Injury Year:	43.00	Exact Age on Analysis Date:
				42.90
				36.12
				37.06
				38.12
				79.95
Worklife Expectancy				
Worklife Expectancy At Injury, 2000, Ciecka, et.al.:	Male	High School Education	18.29	
		Age at Event Plus Worklife at Event	61.07	
Explicit Retirement Age				
Unadjusted Workyears, Number of Years From Injury to Explicit Retirement Age Calculation:			67	
Probability of Survival to Retirement Age, GAM 83 Life Table:			24.22	
Expected Work Years, Yrs in LF, <i>If Alive</i> , between event and Age	67.00		0.9018	
Age at Event Plus Adjusted Worklife at Event, Pre- Reduction of Survival Probability			20.28	
Percent Time in the Labor Force Expected Between Injury and Explicit Retirement Age:			63.06	
			83.7%	
Taxation				
Average Effective Earned Income Tax Rate, No Event, State & Federal:			16.50%	
Average Effective Earned Income Tax Rate, Event, State & Federal:			11.97%	
Marginal Tax Rate on Compensation, State & Federal:			2.67%	
Average Tax Rate including Compensation, State & Federal:			6.48%	

Foraker, Termination, Earnings & Bonus Losses, Haverly

Year (1)	SSA Growth Rates		PAST & EXPECTED EARNINGS LOSSES									
	No Injury (2)	Age (3)	Gross Earnings 2005\$ (4)	Gross Earnings Current \$ (5)	Estimated Taxes on Earnings (6)	Earnings But For Injury (7)	Earnings Growth Injured (8)	Gross Earnings Injured (9)	Estimated Taxes on Earnings (10)	Earnings Given Injury (11)	Estimated Losses Current \$ (12)	
2004	#DIV/0!	0.00		\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	
2005	#DIV/0!	43.07	\$60,500	\$17,723	\$94	\$17,630	#N/A	\$9,521	\$0	\$9,521	\$0	
2006	255.69%	44.07	\$61,684	\$63,041	\$8,587	\$54,454	255.69%	\$33,865	\$3,410	\$30,455	\$23,999	
2007	4.30%	45.07	\$62,951	\$65,752	\$9,011	\$56,740	4.30%	\$35,321	\$3,647	\$31,674	\$25,066	
2008	4.40%	46.07	\$64,056	\$68,645	\$9,460	\$59,184	4.40%	\$36,875	\$3,892	\$32,984	\$26,201	
2009	4.30%	47.07	\$64,991	\$71,597	\$9,915	\$61,681	4.30%	\$38,461	\$4,134	\$34,327	\$27,354	
2010	4.10%	48.07	\$65,812	\$74,532	\$10,367	\$64,166	4.10%	\$40,038	\$4,372	\$35,666	\$28,500	
2011	4.10%	49.07	\$68,645	\$77,588	\$10,837	\$66,751	4.10%	\$41,679	\$4,621	\$37,058	\$29,693	
2012	32.49%	50.07	\$85,893	\$102,797	\$16,556	\$86,241	4.10%	\$43,388	\$4,881	\$38,507	\$47,734	
2013	4.20%	51.07	\$87,063	\$107,114	\$17,393	\$89,721	4.20%	\$45,211	\$5,163	\$40,048	\$49,674	
2014	4.00%	52.07	\$88,079	\$111,399	\$18,216	\$93,183	4.00%	\$47,019	\$5,439	\$41,580	\$51,603	
2015	4.00%	53.07	\$89,107	\$115,855	\$19,075	\$96,780	4.00%	\$48,900	\$5,727	\$43,173	\$53,607	
2016	3.90%	54.07	\$90,061	\$120,373	\$19,942	\$100,432	3.90%	\$50,807	\$6,017	\$44,790	\$55,642	
2017	3.90%	55.07	\$91,025	\$125,068	\$20,845	\$104,222	3.90%	\$52,788	\$6,320	\$46,468	\$57,754	
2018	3.90%	56.07	\$91,999	\$129,946	\$21,787	\$108,158	3.90%	\$54,847	\$6,636	\$48,211	\$59,948	
2019	3.90%	57.07	\$92,983	\$135,013	\$22,769	\$112,245	3.90%	\$56,986	\$6,966	\$50,020	\$62,225	
2020	3.90%	58.07	\$93,978	\$140,279	\$23,792	\$116,487	3.90%	\$59,209	\$7,310	\$51,898	\$64,589	
2021	3.90%	59.07	\$94,984	\$145,750	\$24,857	\$120,893	3.90%	\$61,518	\$7,653	\$53,864	\$67,028	
2022	3.90%	60.07	\$96,000	\$151,434	\$25,968	\$125,466	3.90%	\$63,917	\$7,998	\$55,918	\$69,548	
2023	3.90%	61.07	\$97,027	\$157,340	\$27,125	\$130,215	3.90%	\$66,410	\$8,358	\$58,052	\$72,163	
2024	3.90%	62.07	\$98,065	\$163,476	\$28,330	\$135,146	3.90%	\$69,000	\$8,732	\$60,268	\$74,878	
2025	3.90%	63.07	\$99,115	\$169,852	\$29,587	\$140,265	3.90%	\$71,891	\$9,121	\$62,570	\$77,696	
2026	3.90%	64.07	\$100,175	\$176,476	\$30,895	\$145,581	3.90%	\$74,487	\$9,526	\$64,960	\$80,621	
2027	3.90%	65.07	\$101,247	\$183,359	\$32,258	\$151,100	3.90%	\$77,392	\$9,948	\$67,444	\$83,656	
2028	3.90%	66.07	\$102,331	\$190,510	\$33,678	\$156,831	3.90%	\$80,410	\$10,386	\$70,023	\$86,808	
2029	#N/A	67.07	\$103,426	\$182,495	\$31,334	\$151,161	#N/A	\$77,027	\$9,750	\$67,276	\$83,884	
2030	#N/A	68.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2031	#N/A	69.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2032	#N/A	70.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2033	#N/A	71.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2034	#N/A	72.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2035	#N/A	73.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2036	#N/A	74.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2037	#N/A	75.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2038	#N/A	76.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2039	#N/A	77.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2040	#N/A	78.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2041	#N/A	79.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2042	#N/A	80.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2043	#N/A	81.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2044	#N/A	82.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2045	#N/A	83.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2046	#N/A	84.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2047	#N/A	85.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2048	#N/A	86.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2049	#N/A	87.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2050	#N/A	88.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2051	#N/A	89.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2052	#N/A	90.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2053	#N/A	91.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2054	#N/A	92.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2055	#N/A	93.07	\$103,426	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
	SUMS:		\$4,838,261	\$3,047,413	\$502,878	\$2,544,735		\$1,336,764	\$180,007	\$1,176,757	\$1,367,978	

Foraker, Termination, Earnings & Bonus Losses, Haverly

ANNUITY COST TO REPLACE LOST EARNINGS												
(Year)	(PBGC RATES)	(Age)	(PBGC Discount Factor)	(Estimated Losses Current \$)	(Survival Probability GAM83)	(Mkt. Value @ PBGC 2005\$)	(Adjustment Required Current \$)	(Payment Required Current \$)	(Mkt. Value Tax Adjusted 2005\$)	(Cumulative Losses)		
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)		
2004	0.00%	0.00	1,000000	\$0		\$0	\$0	\$0		\$0		
2005	3.50%	43.07	1.000000	\$8,109	0.99876	\$8,083	\$0	\$8,109		\$8,083		
2006	3.50%	44.07	0.966184	\$23,999	0.99483	\$23,087	\$775	\$24,774		\$23,813		
2007	3.50%	45.07	0.933511	\$25,066	0.99266	\$23,228	\$754	\$25,820		\$23,926		
2008	3.50%	46.07	0.901943	\$26,201	0.99021	\$23,400	\$739	\$26,939		\$24,060		
2009	3.50%	47.07	0.871442	\$27,354	0.98745	\$23,538	\$729	\$28,083		\$24,166		
2010	3.50%	48.07	0.841973	\$28,500	0.98435	\$23,620	\$722	\$29,222		\$24,219		
2011	3.50%	49.07	0.813501	\$29,693	0.98089	\$23,693	\$714	\$30,407		\$24,263		
2012	3.50%	50.07	0.785991	\$47,734	0.97706	\$36,658	\$1,583	\$49,317		\$152,529		
2013	3.50%	51.07	0.759412	\$49,674	0.97283	\$36,698	\$1,602	\$51,275		\$190,403		
2014	3.50%	52.07	0.733731	\$51,803	0.96821	\$36,659	\$1,624	\$53,226		\$228,284		
2015	3.50%	53.07	0.708919	\$53,807	0.96317	\$36,604	\$1,645	\$55,253		\$37,812		
2016	3.50%	54.07	0.684946	\$55,642	0.95772	\$36,500	\$1,669	\$57,311		\$303,823		
2017	3.50%	55.07	0.661783	\$57,754	0.95185	\$36,380	\$1,692	\$59,446		\$341,418		
2018	3.50%	56.07	0.639404	\$59,948	0.94555	\$36,244	\$1,714	\$61,662		\$37,864		
2019	3.50%	57.07	0.617782	\$62,225	0.93880	\$36,089	\$1,737	\$63,962		\$416,145		
2020	3.50%	58.07	0.596891	\$64,589	0.93155	\$35,914	\$1,759	\$66,348		\$453,241		
2021	3.50%	59.07	0.576706	\$67,028	0.92374	\$35,708	\$1,796	\$68,824		\$490,132		
2022	3.50%	60.07	0.557204	\$69,548	0.91528	\$35,469	\$1,848	\$71,394		\$526,797		
2023	3.50%	61.07	0.538361	\$72,183	0.90607	\$35,201	\$1,898	\$74,061		\$563,208		
2024	3.50%	62.07	0.520156	\$74,878	0.89598	\$34,897	\$1,951	\$76,829		\$599,334		
2025	3.50%	63.07	0.502566	\$77,696	0.88488	\$34,552	\$2,005	\$79,701		\$635,140		
2026	4.75%	64.07	0.479777	\$80,621	0.87261	\$33,752	\$2,061	\$82,681		\$670,584		
2027	4.75%	65.07	0.458021	\$83,656	0.85900	\$32,914	\$2,118	\$85,775		\$705,199		
2028	4.75%	66.07	0.437251	\$86,808	0.84390	\$32,032	\$2,177	\$88,985		\$738,947		
2029	4.75%	67.07	0.417423	\$83,884	0.82719	\$28,964	\$2,240	\$86,125		\$32,835		
2030	4.75%	68.07	0.398495	\$0	0.80880	\$0	\$0	\$0		\$29,738		
2031	4.75%	69.07	0.380425	\$0	0.78873	\$0	\$0	\$0		\$801,520		
2032	4.75%	70.07	0.363174	\$0	0.76702	\$0	\$0	\$0		\$801,520		
2033	4.75%	71.07	0.346706	\$0	0.74374	\$0	\$0	\$0		\$801,520		
2034	4.75%	72.07	0.330984	\$0	0.71892	\$0	\$0	\$0		\$801,520		
2035	4.75%	73.07	0.315975	\$0	0.69255	\$0	\$0	\$0		\$801,520		
2036	4.75%	74.07	0.301647	\$0	0.66458	\$0	\$0	\$0		\$801,520		
2037	4.75%	75.07	0.287968	\$0	0.63494	\$0	\$0	\$0		\$801,520		
2038	4.75%	76.07	0.274910	\$0	0.60358	\$0	\$0	\$0		\$801,520		
2039	4.75%	77.07	0.262444	\$0	0.57053	\$0	\$0	\$0		\$801,520		
2040	4.75%	78.07	0.250543	\$0	0.53591	\$0	\$0	\$0		\$801,520		
2041	4.75%	79.07	0.239182	\$0	0.49994	\$0	\$0	\$0		\$801,520		
2042	4.75%	80.07	0.228336	\$0	0.46291	\$0	\$0	\$0		\$801,520		
2043	4.75%	81.07	0.217982	\$0	0.42519	\$0	\$0	\$0		\$801,520		
2044	4.75%	82.07	0.208097	\$0	0.38721	\$0	\$0	\$0		\$801,520		
2045	4.75%	83.07	0.198661	\$0	0.34945	\$0	\$0	\$0		\$801,520		
2046	4.75%	84.07	0.189652	\$0	0.31239	\$0	\$0	\$0		\$801,520		
2047	4.75%	85.07	0.181052	\$0	0.27652	\$0	\$0	\$0		\$801,520		
2048	4.75%	86.07	0.172842	\$0	0.24218	\$0	\$0	\$0		\$801,520		
2049	4.75%	87.07	0.165005	\$0	0.20976	\$0	\$0	\$0		\$801,520		
2050	4.75%	88.07	0.157522	\$0	0.17954	\$0	\$0	\$0		\$801,520		
2051	4.75%	89.07	0.150379	\$0	0.15174	\$0	\$0	\$0		\$801,520		
2052	4.75%	90.07	0.143560	\$0	0.12650	\$0	\$0	\$0		\$801,520		
2053	4.75%	91.07	0.137050	\$0	0.10396	\$0	\$0	\$0		\$801,520		
2054	4.75%	92.07	0.130836	\$0	0.08416	\$0	\$0	\$0		\$801,520		
2055	4.75%	93.07	0.124903	\$0	0.06707	\$0	\$0	\$0		\$801,520		
SUMS:				\$1,367,978		\$779,864	\$37,550	\$1,405,528		\$801,520		

Foraker, Termination, to 55, Earnings & Bonus Losses, Haverly

EARNINGS SUMMARY SHEET			
Date of Analysis:	28-Oct-05	Would Have Retired at 65	
Name:	Foraker	Earnings Losses, Assuming Continuous Employment to Age:	67.00
Attorney Name:	Gorman	Reduction Factor For Time Out of Labor Force, Ciecka, et.al.	18.8%
Income Replaced:	After-Tax		\$863,775
			\$701,117
PAST LOSSES:	28-Oct-05	To: 28-Oct-05	\$0
FUTURE LOSSES:	29-Oct-05	To: 3-Dec-29	
Before Discounting, Sum of Losses, If Party Lives & Works to Age:	67.00		\$1,404,085
Annuity Value of Net Future Losses, PBGC Taxable Annuity Price:			\$843,852
Annuity Value of Approximate Tax on Compensation:	2.36%		\$19,922
Current Market Price to Buy Annuity equal to Future losses, Payment Stream Only:			\$863,775
MARKET PRICE TO REPLACE FUTURE LOSSES, MONTH OF:		Oct-05	\$863,775
Benchmarks, Approximate Implied Growth - See Attached Tables for Actual Rates Used			
Earnings Capacity at Loss Start Date:	01-Jan-06		\$81,626
Earnings Capacity as of Today, No Injury:	28-Oct-05		\$78,083
Earnings Capacity as of Today, Injured	28-Oct-05		\$32,500
PBGC Instruction Set, Rate for First 20 Years	3.50%	PBGC Rate Years Thereafter:	4.75%
Alternative Used for Analysis, Direct Discounting:			#N/A
Annuity Price with Tax Adjustment Comparable to Tax-Free Bond Yield of:			3.33%
Date of Birth of Party:	04-Dec-62	Date Injury First Caused Reduction in Earnings	01-Jan-06
Age at Injury:	43.08	Age at End of Injury Year:	44.00
		Exact Age on Analysis Date:	42.90
		Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, At Injury	36.12
		Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, Today:	37.06
		Reported Life Expectancy at Injury:	36.12
		Age + LX As of Date of Analysis:	79.96
Worklife Expectancy			
Worklife Expectancy At Injury, 2000, Ciecka, et.al.:	Male	High School Education	17.51
		Age at Event Plus worklife at Event	60.59
Explicit Retirement Age			
Unadjusted Workyears, Number of Years From Injury to Explicit Retirement Age Calculation:			67
Probability of Survival to Retirement Age, GAM 83 Life Table:			23.92
Expected Work Years, Yrs in LF, if Alive, between event and Age	67.00		0.9018
Age at Event Plus Adjusted Worklife at Event, Pre- Reduction of Survival Probability			19.42
Percent Time in the Labor Force Expected Between Injury and Explicit Retirement Age:			62.50
			81.2%
Taxation			
Average Effective Earned Income Tax Rate, No Event, State & Federal:			18.64%
Average Effective Earned Income Tax Rate, Event, State & Federal:			12.06%
Marginal Tax Rate on Compensation, State & Federal:			2.14%
Average Tax Rate including Compensation, State & Federal:			6.18%

Foraker, Termination, to 55, Earnings & Bonus Losses, Haverly

Year (1)	SSA Growth Rates (2)	PAST & EXPECTED EARNINGS LOSSES										
		No Injury (2)	Age (3)	Gross Earnings 2005\$ (4)	Gross Earnings Current \$ (5)	Estimated Taxes on Earnings (6)	Earnings But For Injury (7)	Earnings Injured (8)	Gross Earnings Injured (9)	Estimated Taxes on Earnings (10)	Earnings Given Injury (11)	Estimated Losses Current \$ (12)
2005	#DIV/0!	0.00		\$0	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
2006	#DIV/0!	44.07	\$79,869	\$81,626	\$12,522	\$69,104	#N/A	\$33,865	\$3,410	\$30,455	\$38,648	
2007	7.10%	45.07	\$83,702	\$87,425	\$13,802	\$73,623	4.30%	\$35,321	\$3,647	\$31,674	\$41,949	
2008	5.47%	46.07	\$86,046	\$92,211	\$14,800	\$77,411	4.40%	\$36,875	\$3,892	\$32,984	\$44,427	
2009	9.75%	47.07	\$91,863	\$101,201	\$16,818	\$84,383	4.30%	\$38,461	\$4,134	\$34,327	\$50,056	
2010	1.50%	48.07	\$90,701	\$102,719	\$16,981	\$85,738	4.10%	\$40,038	\$4,372	\$35,666	\$50,072	
2011	5.61%	49.07	\$93,183	\$108,484	\$18,189	\$90,295	4.10%	\$41,879	\$4,621	\$37,058	\$53,236	
2012	5.47%	50.07	\$95,607	\$114,422	\$19,434	\$94,988	4.10%	\$43,388	\$4,881	\$38,507	\$56,481	
2013	4.57%	51.07	\$97,251	\$119,649	\$20,497	\$99,152	4.20%	\$45,211	\$5,163	\$40,048	\$59,105	
2014	4.50%	52.07	\$98,859	\$125,033	\$21,592	\$103,441	4.00%	\$47,019	\$5,439	\$41,580	\$81,861	
2015	4.57%	53.07	\$100,559	\$130,744	\$22,761	\$107,983	4.00%	\$48,900	\$5,727	\$43,173	\$64,810	
2016	4.50%	54.07	\$102,221	\$136,626	\$23,966	\$112,660	3.90%	\$50,807	\$6,017	\$44,790	\$87,870	
2017	4.57%	55.07	\$103,979	\$142,887	\$25,253	\$117,614	3.90%	\$52,788	\$6,320	\$46,468	\$71,146	
2018	-28.53%	58.07	\$72,285	\$102,100	\$14,893	\$87,207	3.90%	\$54,847	\$6,638	\$48,211	\$38,997	
2019	3.90%	57.07	\$73,058	\$106,082	\$15,605	\$90,477	3.90%	\$56,988	\$6,966	\$50,020	\$40,457	
2020	3.90%	58.07	\$73,840	\$110,219	\$16,349	\$93,870	3.90%	\$59,209	\$7,310	\$51,898	\$41,972	
2021	3.90%	59.07	\$74,830	\$114,518	\$17,124	\$97,393	3.90%	\$61,518	\$7,653	\$53,884	\$43,529	
2022	3.90%	60.07	\$75,428	\$118,984	\$17,933	\$101,051	3.90%	\$63,917	\$7,998	\$55,918	\$45,132	
2023	3.90%	61.07	\$78,236	\$123,624	\$18,777	\$104,847	3.90%	\$66,410	\$8,358	\$58,052	\$46,795	
2024	32.24%	62.07	\$98,065	\$163,476	\$28,330	\$135,146	3.90%	\$69,000	\$8,732	\$60,268	\$74,878	
2025	3.90%	63.07	\$99,115	\$169,852	\$29,586	\$140,265	3.90%	\$71,691	\$9,121	\$62,570	\$77,695	
2026	3.90%	64.07	\$100,175	\$176,476	\$30,895	\$145,581	3.90%	\$74,487	\$9,528	\$64,960	\$80,620	
2027	3.90%	65.07	\$101,247	\$183,358	\$32,258	\$151,100	3.90%	\$77,392	\$9,948	\$67,444	\$83,656	
2028	3.90%	66.07	\$102,330	\$190,509	\$33,678	\$156,831	3.90%	\$80,410	\$10,386	\$70,023	\$86,808	
2029	#N/A	67.07	\$103,425	\$182,494	\$31,334	\$151,161	#N/A	\$77,027	\$9,750	\$67,276	\$83,884	
2030	#N/A	68.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2031	#N/A	69.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2032	#N/A	70.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2033	#N/A	71.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2034	#N/A	72.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2035	#N/A	73.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2036	#N/A	74.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2037	#N/A	75.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2038	#N/A	76.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2039	#N/A	77.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2040	#N/A	78.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2041	#N/A	79.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2042	#N/A	80.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2043	#N/A	81.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2044	#N/A	82.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2045	#N/A	83.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2046	#N/A	84.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2047	#N/A	85.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2048	#N/A	86.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2049	#N/A	87.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2050	#N/A	88.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2051	#N/A	89.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2052	#N/A	90.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2053	#N/A	91.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2054	#N/A	92.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2055	#N/A	93.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2056	#N/A	94.07	\$103,425	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
SUMS:			\$4,966,160	\$3,084,698	\$513,377	\$2,571,321		\$1,327,243	\$160,007	\$1,167,236	\$1,404,085	

Foraker, Termination, to 55, Earnings & Bonus Losses, Haverly

ANNUITY COST TO REPLACE LOST EARNINGS										
Year	PBGC RATES	Age	PBGC Discount Factor	Estimated Losses Current \$	Survival Probability GAM83	Mkt.Value @ PBGC 2005\$	Adjustment Required Current \$	Payment Required Current \$	Mkt. Value Tax Adjusted 2005\$	Cumulative Losses
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
2005	0.00%	0.00	1.000000	\$0	-	\$0	\$0	\$0	\$0	\$0
2006	3.50%	44.07	0.986184	\$38,648	0.99483	\$37,149	\$1,287	\$39,935	\$38,386	\$38,386
2007	3.50%	45.07	0.933511	\$41,949	0.99266	\$38,872	\$1,361	\$43,309	\$40,133	\$78,519
2008	3.50%	46.07	0.901943	\$44,427	0.99021	\$39,679	\$1,400	\$45,827	\$40,929	\$119,448
2009	3.50%	47.07	0.871442	\$50,056	0.98745	\$43,073	\$1,587	\$51,643	\$44,439	\$183,887
2010	3.50%	48.07	0.841973	\$50,072	0.98435	\$41,498	\$1,522	\$51,594	\$42,781	\$206,647
2011	3.50%	49.07	0.813501	\$53,236	0.98089	\$42,480	\$1,596	\$54,833	\$43,754	\$250,401
2012	3.50%	50.07	0.785891	\$56,481	0.97708	\$43,375	\$1,670	\$58,151	\$44,658	\$295,059
2013	3.50%	51.07	0.759412	\$59,105	0.97283	\$43,665	\$1,708	\$60,812	\$44,927	\$339,986
2014	3.50%	52.07	0.733731	\$61,861	0.96821	\$43,946	\$1,755	\$63,616	\$45,193	\$385,179
2015	3.50%	53.07	0.708919	\$64,810	0.96317	\$44,253	\$1,807	\$66,617	\$45,486	\$430,665
2016	3.50%	54.07	0.684946	\$67,870	0.95772	\$44,522	\$1,864	\$69,734	\$45,745	\$476,410
2017	3.50%	55.07	0.661783	\$71,148	0.95185	\$44,816	\$1,927	\$73,073	\$46,030	\$522,440
2018	3.50%	56.07	0.639404	\$38,997	0.94555	\$23,577	\$368	\$39,365	\$23,799	\$546,239
2019	3.50%	57.07	0.617782	\$40,457	0.93880	\$23,484	\$339	\$40,795	\$23,660	\$569,900
2020	3.50%	58.07	0.598891	\$41,972	0.93155	\$23,338	\$307	\$42,279	\$23,508	\$593,408
2021	3.50%	59.07	0.578706	\$43,529	0.92374	\$23,189	\$288	\$43,817	\$23,343	\$616,751
2022	3.50%	60.07	0.557204	\$45,132	0.91528	\$23,017	\$280	\$45,412	\$23,160	\$639,911
2023	3.50%	61.07	0.5338361	\$46,795	0.90607	\$22,826	\$271	\$47,067	\$22,959	\$662,870
2024	3.50%	62.07	0.520156	\$74,878	0.89598	\$34,897	\$1,464	\$76,342	\$35,579	\$698,449
2025	3.50%	63.07	0.502566	\$77,695	0.88488	\$34,552	\$1,500	\$79,196	\$35,219	\$733,668
2026	4.75%	64.07	0.479777	\$80,620	0.87261	\$33,752	\$1,537	\$82,158	\$34,396	\$768,064
2027	4.75%	65.07	0.458021	\$83,656	0.85900	\$32,914	\$1,575	\$85,231	\$33,534	\$801,598
2028	4.75%	66.07	0.437251	\$86,808	0.84390	\$32,032	\$1,614	\$88,421	\$32,627	\$834,225
2029	4.75%	67.07	0.417423	\$83,884	0.82719	\$28,964	\$1,695	\$85,579	\$29,550	\$863,775
2030	4.75%	68.07	0.398495	\$0	0.80880	\$0	\$0	\$0	\$0	\$863,775
2031	4.75%	69.07	0.380425	\$0	0.78873	\$0	\$0	\$0	\$0	\$863,775
2032	4.75%	70.07	0.363174	\$0	0.76702	\$0	\$0	\$0	\$0	\$863,775
2033	4.75%	71.07	0.346706	\$0	0.74374	\$0	\$0	\$0	\$0	\$863,775
2034	4.75%	72.07	0.330984	\$0	0.71892	\$0	\$0	\$0	\$0	\$863,775
2035	4.75%	73.07	0.315975	\$0	0.69255	\$0	\$0	\$0	\$0	\$863,775
2036	4.75%	74.07	0.301647	\$0	0.66458	\$0	\$0	\$0	\$0	\$863,775
2037	4.75%	75.07	0.287968	\$0	0.63494	\$0	\$0	\$0	\$0	\$863,775
2038	4.75%	76.07	0.274910	\$0	0.60358	\$0	\$0	\$0	\$0	\$863,775
2039	4.75%	77.07	0.262444	\$0	0.57053	\$0	\$0	\$0	\$0	\$863,775
2040	4.75%	78.07	0.250543	\$0	0.53591	\$0	\$0	\$0	\$0	\$863,775
2041	4.75%	79.07	0.239182	\$0	0.49994	\$0	\$0	\$0	\$0	\$863,775
2042	4.75%	80.07	0.228336	\$0	0.46291	\$0	\$0	\$0	\$0	\$863,775
2043	4.75%	81.07	0.217982	\$0	0.42519	\$0	\$0	\$0	\$0	\$863,775
2044	4.75%	82.07	0.208097	\$0	0.38721	\$0	\$0	\$0	\$0	\$863,775
2045	4.75%	83.07	0.198661	\$0	0.34945	\$0	\$0	\$0	\$0	\$863,775
2046	4.75%	84.07	0.189652	\$0	0.31239	\$0	\$0	\$0	\$0	\$863,775
2047	4.75%	85.07	0.181052	\$0	0.27652	\$0	\$0	\$0	\$0	\$863,775
2048	4.75%	86.07	0.172842	\$0	0.24218	\$0	\$0	\$0	\$0	\$863,775
2049	4.75%	87.07	0.165005	\$0	0.20976	\$0	\$0	\$0	\$0	\$863,775
2050	4.75%	88.07	0.157522	\$0	0.17954	\$0	\$0	\$0	\$0	\$863,775
2051	4.75%	89.07	0.150379	\$0	0.15174	\$0	\$0	\$0	\$0	\$863,775
2052	4.75%	90.07	0.143560	\$0	0.12650	\$0	\$0	\$0	\$0	\$863,775
2053	4.75%	91.07	0.137050	\$0	0.10396	\$0	\$0	\$0	\$0	\$863,775
2054	4.75%	92.07	0.130836	\$0	0.08416	\$0	\$0	\$0	\$0	\$863,775
2055	4.75%	93.07	0.124903	\$0	0.06707	\$0	\$0	\$0	\$0	\$863,775
2056	4.75%	94.07	0.119239	\$0	0.05246	\$0	\$0	\$0	\$0	\$863,775
SUMS:				\$1,404,085		\$843,852	\$30,723	\$1,434,808		\$883,775

Pension Loss Estimates

PENSION SUMMARY SHEET			
Date of Analysis:	28-Oct-05	Pension Losses:	\$410,347
Name:	Foraker		
Attorney Name:	Gorman		
Income Replaced:	After-Tax		
PAST LOSSES:	12/31/2004	To:	12/31/2004
FUTURE LOSSES:	1/1/2005	To:	1/1/2006
Sum of Losses, If Party Lived to End of Life Table:		114.00	\$0
Sum of Losses, Reduced for Survival Probability to Age:			\$0
Annuity Value of Net Future Losses, PBGC Taxable Annuity Price:			\$1,701,201
Annuity Value of Approximate Tax on Compensation:	44.06%		\$284,038
Current Market Price to Buy Annuity equal to Future losses, Payment Stream Only:			\$125,510
			\$410,347
MARKET PRICE TO REPLACE FUTURE LOSSES, MONTH OF:		Oct-05	\$410,347
DATA, ASSUMPTIONS, IMPLIED GROWTH			
Pension Benefit at Loss Start Date:		01-Jan-06	\$94,840
Pension Benefit as of Today, No Injury:		28-Oct-05	\$38,734
PBGC Instruction Set, Rate for First 20 Years	3.50%	PBGC Rate Years Thereafter:	4.75%
Alternative Used for Analysis, Direct Discounting:			#N/A
Annuity Price with Tax Adjustment Comparable to Tax-Free Bond Yield of:			3.83%
Date of Birth of Party:	04-Dec-62	Date Injury First Caused Reduction in Pension	01-Jan-06
Pension Age	43.08	Pension Age, End of Yr.	44.00
		Date of Injury	1/1/2006
		Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, At Injury	Exact Age on Analysis Date: 42.90
		Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, Today:	Exact Age when Injured: 43.08
			36.12
			37.06
			Reported Life Expectancy at Injury: 36.12
TAXES			
Average Effective Earned Income Tax Rate, No Event, State & Federal:			#DIV/0!
Average Effective Earned Income Tax Rate, Event, State & Federal:			#DIV/0!
Marginal Tax Rate on Compensation, State & Federal:			15.47%
Average Tax Rate including Compensation, State & Federal:			12.58%

Pension Loss Estimates

Year	SSA Nominal Pension Growth No Injury	Age	PAST & EXPECTED PENSION LOSSES								
			Gross Pension 2004\$	Converted To Current Dollars	Estimated Taxes on Pension	Pension But For Injury	Pension Growth Injured	Gross Pension Injured	Estimated Taxes on Pension	Pension Given Injury	Estimated Losses Current \$
2005											
2006		44.07	\$0	\$0	\$0	\$0	\$38,734	\$5,151	\$33,583	(\$33,583)	
2007	#DIV/0!	45.07	\$0	\$0	\$0	2.0%	\$39,509	\$5,254	\$34,255	(\$34,255)	
2008	#DIV/0!	46.07	\$0	\$0	\$0	2.4%	\$40,457	\$5,380	\$35,077	(\$35,077)	
2009	#DIV/0!	47.07	\$0	\$0	\$0	2.8%	\$41,590	\$5,531	\$36,059	(\$36,059)	
2010	#DIV/0!	48.07	\$0	\$0	\$0	2.8%	\$42,755	\$5,686	\$37,069	(\$37,069)	
2011	#DIV/0!	49.07	\$0	\$0	\$0	2.8%	\$43,952	\$5,845	\$38,107	(\$38,107)	
2012	#DIV/0!	50.07	\$0	\$0	\$0	2.8%	\$45,182	\$6,009	\$39,174	(\$39,174)	
2013	#DIV/0!	51.07	\$0	\$0	\$0	2.8%	\$46,447	\$6,177	\$40,270	(\$40,270)	
2014	#DIV/0!	52.07	\$0	\$0	\$0	2.8%	\$47,748	\$6,350	\$41,398	(\$41,398)	
2015	#DIV/0!	53.07	\$0	\$0	\$0	2.8%	\$49,085	\$6,528	\$42,557	(\$42,557)	
2016	#DIV/0!	54.07	\$0	\$0	\$0	2.8%	\$50,459	\$6,710	\$43,749	(\$43,749)	
2017	#DIV/0!	55.07	\$0	\$0	\$0	2.8%	\$51,872	\$6,898	\$44,974	(\$44,974)	
2018	#DIV/0!	56.07	\$93,439	\$130,564	\$25,530	\$105,035	2.8%	\$53,325	\$7,091	\$46,233	\$58,802
2019	2.8%	57.07	\$93,439	\$134,220	\$26,245	\$107,976	2.8%	\$54,818	\$7,290	\$47,528	\$60,448
2020	2.8%	58.07	\$93,439	\$137,978	\$26,980	\$110,999	2.8%	\$56,352	\$7,494	\$48,858	\$62,141
2021	2.8%	59.07	\$93,439	\$141,842	\$27,735	\$114,107	2.8%	\$57,930	\$7,704	\$50,226	\$63,881
2022	2.8%	60.07	\$93,439	\$145,813	\$28,512	\$117,302	2.8%	\$59,552	\$7,920	\$51,633	\$65,669
2023	2.8%	61.07	\$93,439	\$149,896	\$29,310	\$120,586	2.8%	\$61,220	\$8,141	\$53,078	\$67,508
2024	2.8%	62.07	\$93,439	\$154,093	\$30,131	\$123,963	2.8%	\$62,934	\$8,369	\$54,565	\$69,398
2025	2.8%	63.07	\$93,439	\$158,408	\$30,974	\$127,434	2.8%	\$64,696	\$8,604	\$56,092	\$71,341
2026	2.8%	64.07	\$93,439	\$162,843	\$31,841	\$131,002	2.8%	\$66,508	\$8,845	\$57,663	\$73,339
2027	2.8%	65.07	\$93,439	\$167,403	\$32,733	\$134,670	2.8%	\$68,370	\$9,092	\$59,278	\$75,392
2028	2.8%	66.07	\$93,439	\$172,090	\$33,650	\$138,441	0.0%	\$68,370	\$9,393	\$59,431	\$79,010
2029	2.8%	67.07	\$93,439	\$176,909	\$34,592	\$142,317	0.0%	\$68,370	\$9,782	\$59,588	\$82,729
2030	2.8%	68.07	\$93,439	\$181,862	\$35,560	\$146,302	0.0%	\$68,370	\$9,620	\$59,750	\$86,552
2031	2.8%	69.07	\$93,439	\$186,954	\$36,556	\$150,398	0.0%	\$68,370	\$8,454	\$59,916	\$90,483
2032	2.8%	70.07	\$93,439	\$192,189	\$37,580	\$154,609	0.0%	\$68,370	\$8,283	\$60,087	\$94,523
2033	2.8%	71.07	\$93,439	\$197,570	\$38,632	\$158,939	0.0%	\$68,370	\$8,108	\$60,262	\$98,676
2034	2.8%	72.07	\$93,439	\$203,102	\$39,713	\$163,389	0.0%	\$68,370	\$7,927	\$60,443	\$102,946
2035	2.8%	73.07	\$93,439	\$208,769	\$40,825	\$167,964	0.0%	\$68,370	\$7,741	\$60,629	\$107,335
2036	2.8%	74.07	\$93,439	\$214,635	\$41,969	\$172,667	0.0%	\$68,370	\$7,550	\$60,819	\$111,847
2037	2.8%	75.07	\$93,439	\$220,645	\$43,144	\$177,501	0.0%	\$68,370	\$7,354	\$61,016	\$116,486
2038	2.8%	76.07	\$93,439	\$226,823	\$44,352	\$182,471	0.0%	\$68,370	\$7,153	\$61,217	\$121,254
2039	2.8%	77.07	\$93,439	\$233,174	\$45,594	\$187,581	0.0%	\$68,370	\$6,945	\$61,425	\$126,156
2040	2.8%	78.07	\$93,439	\$239,703	\$46,870	\$192,833	0.0%	\$68,370	\$6,732	\$61,638	\$131,195
2041	2.8%	79.07	\$93,439	\$246,415	\$48,183	\$198,232	0.0%	\$68,370	\$6,513	\$61,857	\$136,375
2042	2.8%	80.07	\$93,439	\$253,314	\$49,532	\$203,783	0.0%	\$68,370	\$6,288	\$62,082	\$141,701
2043	2.8%	81.07	\$93,439	\$260,407	\$50,919	\$209,489	0.0%	\$68,370	\$6,056	\$62,314	\$147,175
2044	2.8%	82.07	\$93,439	\$267,699	\$52,344	\$215,354	0.0%	\$68,370	\$5,818	\$62,552	\$152,803
2045	2.8%	83.07	\$93,439	\$275,194	\$53,810	\$221,384	0.0%	\$68,370	\$5,574	\$62,796	\$158,588
2046	2.8%	84.07	\$93,439	\$282,900	\$55,317	\$227,583	0.0%	\$68,370	\$5,322	\$63,048	\$164,535
2047	2.8%	85.07	\$93,439	\$290,821	\$56,865	\$233,955	0.0%	\$68,370	\$5,064	\$63,306	\$170,649
2048	2.8%	86.07	\$93,439	\$298,964	\$58,458	\$240,506	0.0%	\$68,370	\$4,798	\$63,572	\$176,934
2049	2.8%	87.07	\$93,439	\$307,335	\$60,094	\$247,240	0.0%	\$68,370	\$4,524	\$63,845	\$183,395
2050	2.8%	88.07	\$93,439	\$315,940	\$61,777	\$254,163	0.0%	\$68,370	\$4,244	\$64,126	\$190,037
2051	2.8%	89.07	\$93,439	\$324,786	\$63,507	\$261,279	0.0%	\$68,370	\$3,955	\$64,415	\$196,864
2052	2.8%	90.07	\$93,439	\$333,880	\$65,285	\$268,595	0.0%	\$68,370	\$3,658	\$64,712	\$203,883
2053	2.8%	91.07	\$93,439	\$343,229	\$67,113	\$276,116	0.0%	\$68,370	\$3,353	\$65,017	\$211,099
2054	2.8%	92.07	\$93,439	\$352,839	\$68,992	\$283,847	0.0%	\$68,370	\$3,039	\$65,331	\$218,516
2055	2.8%	93.07	\$93,439	\$362,719	\$70,924	\$291,795	0.0%	\$68,370	\$2,717	\$65,653	\$226,142
2056	2.8%	94.07	\$93,439	\$372,875	\$72,910	\$299,965	0.0%	\$68,370	\$2,385	\$65,985	\$233,980
SUMS:					\$1,765,054				\$327,966		

Pension Loss Estimates

ANNUITY COST TO REPLACE LOST PENSION

Year	PBGC RATES	Age	Estimated Losses Current \$	Actuarial Adjustment Current \$	Mkt. Value @ PBGC 2004\$	Adjustment Required Current \$	Payment Required Current \$	Actuarial Adjustment Current \$	Mkt. Value Tax Adjusted 2004\$	Cumulative Losses
2005	0.00%	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2006	3.50%	44.07	(\$33,583)	(\$32,804)	(\$31,695)	\$0	(\$33,583)	(\$32,804)	(\$31,695)	(\$31,695)
2007	3.50%	45.07	(\$34,255)	(\$33,387)	(\$31,187)	\$0	(\$34,255)	(\$33,387)	(\$31,187)	(\$62,862)
2008	3.50%	46.07	(\$35,077)	(\$34,104)	(\$30,760)	\$0	(\$35,077)	(\$34,104)	(\$30,760)	(\$93,622)
2009	3.50%	47.07	(\$36,059)	(\$34,961)	(\$30,466)	\$0	(\$36,059)	(\$34,961)	(\$30,466)	(\$124,088)
2010	3.50%	48.07	(\$37,069)	(\$35,827)	(\$30,165)	\$0	(\$37,069)	(\$35,827)	(\$30,165)	(\$154,253)
2011	3.50%	49.07	(\$38,107)	(\$36,701)	(\$29,856)	\$0	(\$38,107)	(\$36,701)	(\$29,856)	(\$184,110)
2012	3.50%	50.07	(\$39,174)	(\$37,581)	(\$29,538)	\$0	(\$39,174)	(\$37,581)	(\$29,538)	(\$213,648)
2013	3.50%	51.07	(\$40,270)	(\$38,466)	(\$29,212)	\$0	(\$40,270)	(\$38,466)	(\$29,212)	(\$242,860)
2014	3.50%	52.07	(\$41,398)	(\$39,355)	(\$28,876)	\$0	(\$41,398)	(\$39,355)	(\$28,876)	(\$271,736)
2015	3.50%	53.07	(\$42,557)	(\$40,247)	(\$28,532)	\$0	(\$42,557)	(\$40,247)	(\$28,532)	(\$300,267)
2016	3.50%	54.07	(\$43,749)	(\$41,140)	(\$28,178)	\$0	(\$43,749)	(\$41,140)	(\$28,178)	(\$328,446)
2017	3.50%	55.07	(\$44,974)	(\$42,032)	(\$27,816)	\$0	(\$44,974)	(\$42,032)	(\$27,816)	(\$356,262)
2018	3.50%	56.07	\$58,802	\$54,592	\$34,906	\$11,673	\$70,475	\$65,430	\$41,836	(\$314,426)
2019	3.50%	57.07	\$60,448	\$55,720	\$34,423	\$12,000	\$72,448	\$66,781	\$41,256	(\$273,170)
2020	3.50%	58.07	\$62,141	\$56,838	\$33,926	\$12,336	\$74,477	\$68,121	\$40,661	(\$232,509)
2021	3.50%	59.07	\$63,881	\$57,939	\$33,414	\$12,682	\$76,562	\$69,442	\$40,047	(\$192,461)
2022	3.50%	60.07	\$65,669	\$59,016	\$32,884	\$13,037	\$78,706	\$70,732	\$39,412	(\$153,049)
2023	3.50%	61.07	\$67,508	\$60,058	\$32,333	\$13,402	\$80,910	\$71,981	\$38,752	(\$114,297)
2024	3.50%	62.07	\$69,398	\$61,052	\$31,757	\$13,777	\$83,175	\$73,173	\$38,061	(\$76,236)
2025	4.75%	63.07	\$71,341	\$61,984	\$24,502	\$14,163	\$85,504	\$74,289	\$29,366	(\$46,870)
2026	4.75%	64.07	\$73,339	\$62,836	\$23,712	\$14,559	\$87,898	\$75,310	\$28,420	(\$18,450)
2027	4.75%	65.07	\$75,392	\$63,588	\$22,908	\$14,967	\$90,359	\$76,212	\$27,456	\$9,006
2028	4.75%	66.07	\$79,010	\$65,468	\$22,516	\$15,626	\$94,636	\$78,416	\$26,969	\$35,974
2029	4.75%	67.07	\$82,729	\$67,192	\$22,061	\$16,304	\$99,033	\$80,434	\$26,408	\$62,383
2030	4.75%	68.07	\$86,552	\$68,735	\$21,544	\$17,000	\$103,552	\$82,235	\$25,775	\$88,158
2031	4.75%	69.07	\$90,483	\$70,073	\$20,987	\$17,716	\$108,198	\$83,792	\$25,073	\$113,231
2032	4.75%	70.07	\$94,523	\$71,186	\$20,335	\$18,452	\$112,975	\$85,083	\$24,304	\$137,535
2033	4.75%	71.07	\$98,676	\$72,059	\$19,650	\$19,208	\$117,885	\$86,086	\$23,476	\$161,011
2034	4.75%	72.07	\$102,946	\$72,668	\$18,918	\$19,986	\$122,932	\$86,776	\$22,591	\$183,602
2035	4.75%	73.07	\$107,335	\$72,987	\$18,139	\$20,786	\$128,121	\$87,121	\$21,652	\$205,254
2036	4.75%	74.07	\$111,847	\$72,984	\$17,316	\$21,608	\$133,455	\$87,083	\$20,661	\$225,915
2037	4.75%	75.07	\$116,486	\$72,621	\$16,449	\$22,453	\$138,938	\$86,618	\$19,619	\$245,534
2038	4.75%	76.07	\$121,254	\$71,860	\$15,538	\$23,321	\$144,575	\$85,681	\$18,527	\$264,061
2039	4.75%	77.07	\$126,156	\$70,671	\$14,588	\$24,214	\$150,370	\$84,235	\$17,388	\$281,450
2040	4.75%	78.07	\$131,195	\$69,034	\$13,604	\$25,132	\$156,327	\$82,259	\$16,210	\$297,660
2041	4.75%	79.07	\$136,375	\$66,943	\$12,594	\$26,076	\$162,451	\$79,743	\$15,002	\$312,662
2042	4.75%	80.07	\$141,701	\$64,405	\$11,567	\$27,046	\$168,746	\$76,698	\$13,775	\$326,437
2043	4.75%	81.07	\$147,175	\$61,443	\$10,535	\$28,043	\$175,218	\$73,150	\$12,542	\$338,978
2044	4.75%	82.07	\$152,803	\$58,094	\$9,599	\$29,068	\$181,871	\$69,146	\$11,318	\$350,296
2045	4.75%	83.07	\$158,588	\$54,413	\$8,592	\$30,122	\$188,710	\$64,749	\$10,117	\$360,413
2046	4.75%	84.07	\$164,535	\$50,467	\$7,528	\$31,205	\$195,740	\$60,039	\$8,956	\$369,370
2047	4.75%	85.07	\$170,649	\$46,332	\$6,598	\$32,319	\$202,968	\$55,106	\$7,848	\$377,217
2048	4.75%	86.07	\$176,934	\$42,073	\$5,720	\$33,464	\$210,398	\$50,031	\$6,802	\$384,019
2049	4.75%	87.07	\$183,395	\$37,772	\$4,902	\$34,641	\$218,035	\$44,906	\$5,828	\$389,847
2050	4.75%	88.07	\$190,037	\$33,501	\$4,151	\$35,851	\$225,887	\$39,820	\$4,934	\$394,781
2051	4.75%	89.07	\$196,864	\$29,330	\$3,469	\$37,094	\$233,959	\$34,856	\$4,123	\$398,903
2052	4.75%	90.07	\$203,883	\$25,324	\$2,860	\$38,373	\$242,256	\$30,090	\$3,398	\$402,301
2053	4.75%	91.07	\$211,099	\$21,547	\$2,323	\$39,687	\$250,786	\$25,598	\$2,759	\$405,060
2054	4.75%	92.07	\$218,516	\$18,056	\$1,858	\$41,038	\$259,555	\$21,447	\$2,207	\$407,258
2055	4.75%	93.07	\$226,142	\$14,893	\$1,463	\$42,427	\$268,569	\$17,687	\$1,738	\$409,005
2056	4.75%	94.07	\$233,980	\$12,051	\$1,130	\$43,855	\$277,836	\$14,310	\$1,342	\$410,347
SUMS:			\$1,701,201	\$284,838			\$2,118,063	\$410,347		

EXHIBIT - G

THE LOSS OF EARNINGS AND PENSION
SUSTAINED BY

WAYNE H. WARREN

Submitted to:

MARTIN D. HAVERLY, ESQ.

Attorney at Law
2 East 7th Street
Suite 302
Wilmington, Delaware, 19801

Submitted By:

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SUMMARY OF FINDINGS

I have estimated the current market cost to replace the earnings and pension losses incurred by Cpl. Wayne Warren. I place earnings losses at \$386,655 and pension losses at \$452,145, total losses of \$838,801. This estimate assumes that Cpl. Warren would have remained with the State Police until age 55 and will now leave the department by October 15, 2005.

These estimates are current market costs, based on the current market price for an annuity to replace the economic value of the losses he has sustained, and is likely to sustain, over time. It is therefore an actuarially reduced present value, taking into account Cpl. Warren's year to year survival probability (life expectancy), income taxes and interest. One final adjustment must be made. The above estimates are after-tax and any compensation will be taxable. Assuming an effective tax rate of 25% on an award, the loss estimate must be multiplied by 1.333, raising required compensation to \$1,118,122.

Annuity prices change with changes in the money markets and interest rates, so while my analytical method will remain the same, this analysis will be updated at time of trial to reflect the market price for an annuity at that time. Should rates be higher than they are now, the resulting loss estimates will be lower. Alternatively, should rates be lower than they are now, resulting loss estimates will be higher.

INFORMATION PROVIDED BY COUNSEL

The information that follows has been provided to me by Counsel and outlines the basic elements of the case I have been asked to value. As various additional facts become known and/or stipulated to, my estimates may be revised to take those matters into account.

I have been provided with Cpl. Warren's date of birth, May 22, 1958 and the date he is expected to leave the department, October 15, 2005. I have also been provided with his service date, January 31, 1983.

I am advised that the testimony will show Cpl. Warren intended to remain with the department to age 55. I am also advised that upon leaving the force, Cpl. Warren will find employment in a position paying in the range of \$30,000 to \$35,000 per year with minimal benefits.

Cpl. Warren is a Cpl. Master, Step 22, earning \$82,712 per year. The department pension plan provides a pension equal to 2.5% of high, three-year, average salary for the first 20 years of service and 3.5% of final average salary for every year thereafter. Given a termination date of October 15, 2005, he will have 22.7 years of service. I estimate that upon leaving the

department he will have earned a pension equal to 59.47 % of average salary, producing a benefit of \$45,345 per year. Had he worked to age 55 however, he would have had 30.3 years of service at retirement and earned a pension equal to 86.07% of final average salary, producing a benefit of approximately \$96,130 per year.

OVERVIEW OF METHOD

Economic losses may be computed in so-called "real" or after-inflation terms or in terms of nominal amounts, dollar losses without adjusting for purchasing power. Either calculation produces approximately the same answer. Typically in the "real" approach, historical rates of real earnings growth, in the range of 1% to 3% per year, and real interest rates, also in the 1% to 3% per year range, are cited as a reasonable forecast of these rates for the future.

I favor the alternative approach, one in which nominal rates of earnings growth and market interest rates are used. To provide a conservative estimate of losses, I assume a growth in the pay scale of 3% per year.

In place of an after-inflation interest rate forecast of bond yields for discounting I use the current market price for the purchase of an annuity to "discount" these future losses. Using a market price to purchase a contract to replace future income rather than a forecast for assumed future investment returns, real or nominal returns, eliminates this source of forecast uncertainty and provides, I believe, a more accurate assessment of the present value of losses than any approach that requires direct forecasting.

THE PRESENT VALUE OF FUTURE LOSSES

Given an estimate of year by year, expected losses, these future losses must be converted into a present dollar equivalent. While there are numerous financial instruments that might be used to establish the present value of a future loss, I perform my conversion using information on the current annuity market provided the United States Pension Benefit Guaranty Corporation (PBGC)¹. These annuity prices are used to value all future losses. Note however, that while I estimate current market annuity prices for this analysis using the average prices reported by the PBGC methodology, any annuity from a solid company producing the same replacement income is an acceptable valuation alternative².

¹ United States Government, *Code of Federal Regulations*, 29 CFR Parts 2619 & 2676, Washington, D.C., September 28, 1993.

² I estimate current market annuity prices for this analysis using the PBGC methodology, but any quality annuity contract producing the same replacement income is an alternative for the establishment of present value.

PBGC is a United States Government agency charged with the responsibility of insuring pension plans in the event of employer default under the Employee Retirement Income Security Act (ERISA). As a consequence of that responsibility, PBGC monitors the annuity market and collects price data each month from a national sample of insurance and annuity companies. The PBGC Methodology permits the analyst to approximate the current price of an annuity found in this survey, given only the party's age and gender.

The methodology is essentially a method to distribute and disseminate current annuity prices. The prices, as stated above, come from a survey of the market and are not forecasts. Each month, the PBGC provides "discount rates", based on its survey results that are to be combined with its specific life table. Neither the specific life table nor the rates to be used, determine these annuity prices - which again, come from a survey.

These rates are not the yield on a specific financial instrument but rather rates, which when mathematically combined with the specific PBGC mortality tables (so-called 83GAM Tables), reproduces the findings of the PBGC annuity price survey for the age and gender of the party involved. Since price is known from the survey, if all analysts use the same life table (regardless of which table) a rate can be established to produce that price. Hence, PBGC rates are not traditional discount rates in the sense of expected yields or rates of return on a portfolio, but rather a technical instruction to implement the Methodology. The PBGC rates are applied to an actuarially reduced stream of income, reduced by year to year survival probabilities, and hence the implicit rates of return are higher than would be the case if the income stream was an unreduced flow certain, as in a typical discounting problem.

The PBGC price survey provides an accurate, cost-effective, and objective estimate of the actual, current market price required to purchase a future flow of income equal to the amount required to compensate the party for expected future losses. Implicitly, my compensation approach is to provide Cpl. Warren with a cash payment sufficient to cover past losses and cash payment sufficient to purchase an annuity, a market-determined present value, to replace future losses.

I am not requiring that such an instrument actually be chosen for compensation purposes. I am using annuity prices as an indicator of the financial market's "tradeoff" between the value of future dollars and the value of present dollars, inclusive of available investments, the time period involved, cash requirements associated with compensation, and mortality considerations. PBGC price information is current, reflecting actual economic

conditions in the money market in the month of the lost earnings analysis and in fact, is a function of the current yields on the professionally managed, investment portfolios of insurance or annuity companies that back these annuity contracts³.

The use of an annuity price to establish the discounted present value of future losses provides a number of advantages over the more familiar approach in which an analyst explicitly specifies an expected yield on a particular financial instrument or investment portfolio, typically bonds. Most importantly, an annuity price is an actual, market price at this point in time, not a forecast of future yields.

In addition, PBGC prices are objective, provided by the U.S. Government, and not prepared for the purpose of the litigation at issue. The price is a market price, favoring neither plaintiff nor defense and such prices are public information that may be easily verified by all parties to the litigation. Finally, an annuity provides for periodic payments, a flow of compensating income timed similarly to the losses that are expected to occur in the future. Regardless of the future course of interest rates, an annuity price provides the actual market cost today, to purchase the required future flow of compensating payments for future losses.

VALUATION ADJUSTMENTS

The annuity prices that PBGC monitors however, are taxable annuities and therefore the compensating income I calculate using these prices will be less than the income Cpl. Warren would have earned had he not been required to leave the department. Ideally, the compensating instrument would be tax-free, so that the flow of compensation after tax would exactly equal the flow of income I seek to replace without the complication of taxes. Tax free municipal bonds represent one alternative financial instrument that could be used, but to do so gives up the advantage of using a current price and requires that a rate of return forecast be made for the damage period.

To approximate the price of a tax-free annuity, I calculate the approximate tax liability associated with the annuity payments and increase each year's payment such that after taxes, Cpl. Price would receive the amount I estimate that he has lost. This is similar to performing the analysis with tax-

³ The PBGC Methodology involves 2 components: the financial flow required to pay the annuity to individuals, and for groups of employees, an administrative cost component. Because I am dealing with an individual rather than a group of employees, I use only the financial flow. Administrative expenses are ignored and therefore my estimated annuity price may be somewhat below group annuity market prices.

free municipal bonds but it maintains the advantages I believe exist when an annuity price is used for the future loss calculation. This adjustment increases the loss estimates by the present value of expected taxes on the compensation, just as the loss estimates would be increased if I used the lower yields associated with tax-free instruments.

This is the column labeled "Adjustment Required" on the attached printouts, Schedule 3. It should be noted however, that my analysis produces loss estimates both with and without this adjustment. The column labeled "Market Value @ PBGC" provides losses without the above tax adjustment. In the event that my adjustment is deemed inappropriate however, estimates are provided both with and without it.

LOSS ESTIMATES

Detailed printouts of my calculations are attached to this report. Three schedules are provided. Schedule 1 displays some of the basic data used in the calculation and various summary statistics that result from my calculations while Schedules 2 and 3 provide the year-by-year details of my estimates.

Schedule 2, Past & Expected Earnings Losses: Column 2 displays the rate of earnings growth used to increase Cpl. Warren's earnings over time. Column 4 labeled "Gross Earnings, 2005 Dollars" displays my estimated earnings over time expressed in today's dollars and shows the estimated year by year earnings Cpl. Warren would achieve over time. It is a benchmark calculation, useful for appraising the reasonableness of resulting estimates of future earnings.

The next column, Column 5, converts those dollars to so-called current dollars, dollars of the year in question, rather than in terms of today's purchasing power. Column 7 labeled "Earnings But For Termination" is self-explanatory. The next four columns are comparable, but concern earning given the termination. The difference between earnings had the termination not occurred and probable earnings now is my estimate of losses, Column 12 "Estimated Losses, Current Dollars".

Schedule 3, Annuity Cost to Replace Lost Earnings: Schedule 3 displays the conversion of these earnings loss amounts into actuarially discounted present or market values. Column 14 is the PBGC discount rates for the year in question while Column 16 shows the resulting annual discount factors. Column 17, "Estimated Losses, Current Dollars" on Schedule 3 is identical to Column 12, "Estimated Losses, Current Dollars" on Schedule 2, except that all past losses are adjusted to 2005 dollars. Column 18 shows the year to year survival probabilities given the person's age and

sex. Column 19 shows the present value or market replacement cost of each payment valued using the PBGC annuity price.

As discussed above however, this annuity would have tax consequences to the recipient and would therefore result in less income than the party would have earned, had the termination not occurred. Column 20 labeled "Adjustment Required" provides my estimate of the tax consequences of the annuity and therefore the additional payment that would be required to leave Cpl. Warren in the same economic status as he would have had without the termination. These augmented payments are then reduced for the probability of survival and again priced using the PBGC methodology to estimate annuity prices in Column 22.

Warren, Wrongful Term, Earnings & Pension, Haverly

Date of Analysis:		EARNINGS SUMMARY SHEET		
Name:	28-Oct-05			
Attorney's Name:	Warren			
Income Replaced:	Haverly After-Tax		Earnings Losses, Assuming Continuous Employment to Age:	55.00 \$386,655
PAST LOSSES:	15-Oct-05	To: 28-Oct-05		\$49,743
FUTURE LOSSES:	29-Oct-05	To: 21-May-13		
Before Discounting, Sum of Losses, If Party Lives & Works to Age:			55.00	\$388,378
Annuity Value of Net Future Losses, PBGC Taxable Annuity Price:				\$327,363
Annuity Value of Approximate Tax on Compensation:		2.92%		\$9,549
Current Market Price to Buy Annuity equal to Future losses, Payment Stream Only:				\$336,912
MARKET PRICE TO REPLACE FUTURE LOSSES, MONTH OF:			Oct-05	\$336,912
Benchmarks, Approximate Implied Growth - See Attached Tables for Actual Rates Used				
Earnings Capacity at Loss Start Date:		15-Oct-05		
Earnings Capacity as of Today, No Termination:		28-Oct-05		\$79,776
Earnings Capacity as of Today, Termined		28-Oct-05		\$79,776
				\$32,500
PBGC Instruction Set, Rate for First 20 Years	3.50%	PBGC Rate Years Thereafter:		4.75%
Alternative Used for Analysis, Direct Discounting:				#N/A
Annuity Price with Tax Adjustment Comparable to Tax-Free Bond Yield of:				7.06%
Date of Birth of Party:	22-May-58	Date Term First Caused Reduction in Earnings		
Age at Term:	47.40	Age at End of Term Year: 47.00	Exact Age on Analysis Date:	15-Oct-05
Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, At Term				47.44
Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, Today:				32.40
Reported Life Expectancy at Term:				32.40
Age + LX As of Date of Analysis:				79.83
Worklife Expectancy				
Worklife Expectancy At Term, 2000, Ciecka, et.al.:	Male	High School Education		14.40
	Age at Event	Plus worklife at Event		61.80
Explicit Retirement Age				
Unadjusted Workyears, Number of Years From Term to Explicit Retirement Age Calculation:				55
Probability of Survival to Retirement Age, GAM 83 Life Table:				7.60
Expected Work Years, Yrs in LF, <i>if Alive</i> , between event and Age				0.9809
Age at Event Plus Adjusted Worklife at Event, Pre- Reduction of Survival Probability				55.00
Percent Time in the Labor Force Expected Between Term and Explicit Retirement Age:				14.68
				62.08
				193.2%
Taxation				
Average Effective Earned Income Tax Rate, No Event, State & Federal:				16.25%
Average Effective Earned Income Tax Rate, Event, State & Federal:				9.85%
Marginal Tax Rate on Compensation, State & Federal:				#VALUE!
Average Tax Rate including Compensation, State & Federal:				#VALUE!

Warren, Wrongful Term, Earnings & Pension, Haverly

Year (1)	SSA Growth Rates		PAST & EXPECTED EARNINGS LOSSES								
	No Term (2)	Age (3)	Gross Earnings 2005\$	Gross Earnings Current \$	Estimated Taxes on Earnings	Earnings But For Term	Earnings Growth Termed	Gross Earnings Termed	Estimated Taxes on Earnings	Earnings Given Term	Estimated Losses Current \$
			(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
2004	#DIV/0!	0.00	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	\$0
2005	#DIV/0!	47.61	\$79,776	\$79,776	\$12,216	\$67,560	#N/A	\$6,851	\$0	\$6,851	\$0
2006	8.88%	48.61	\$84,993	\$86,863	\$13,819	\$73,044	394.27%	\$33,865	\$3,410	\$30,455	\$60,708
2007	5.68%	49.61	\$87,890	\$91,800	\$14,886	\$76,914	4.30%	\$35,321	\$3,647	\$31,674	\$42,589
2008	5.47%	50.61	\$90,350	\$96,823	\$15,941	\$80,881	4.40%	\$36,875	\$3,892	\$32,984	\$45,241
2009	5.47%	51.61	\$92,700	\$102,123	\$17,046	\$85,076	4.30%	\$38,461	\$4,134	\$34,327	\$47,897
2010	4.57%	52.61	\$94,299	\$106,793	\$17,990	\$88,804	4.10%	\$40,038	\$4,372	\$35,666	\$50,749
2011	4.50%	53.61	\$95,858	\$111,598	\$18,980	\$92,638	4.10%	\$41,679	\$4,621	\$37,058	\$55,579
2012	4.56%	54.61	\$97,502	\$116,690	\$19,996	\$96,694	4.10%	\$43,388	\$4,881	\$38,507	\$58,187
2013	#N/A	55.61	\$99,114	\$46,990	\$5,536	\$41,454	#N/A	\$17,422	\$0	\$17,422	\$24,032
2014	#N/A	56.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2015	#N/A	57.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2016	#N/A	58.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2017	#N/A	59.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2018	#N/A	60.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2019	#N/A	61.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2020	#N/A	62.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2021	#N/A	63.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2022	#N/A	64.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2023	#N/A	65.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2024	#N/A	66.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2025	#N/A	67.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2026	#N/A	68.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2027	#N/A	69.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2028	#N/A	70.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2029	#N/A	71.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2030	#N/A	72.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2031	#N/A	73.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2032	#N/A	74.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2033	#N/A	75.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2034	#N/A	76.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2035	#N/A	77.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2036	#N/A	78.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2037	#N/A	79.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2038	#N/A	80.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2039	#N/A	81.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2040	#N/A	82.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2041	#N/A	83.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2042	#N/A	84.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2043	#N/A	85.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2044	#N/A	86.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2045	#N/A	87.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2046	#N/A	88.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2047	#N/A	89.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2048	#N/A	90.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2049	#N/A	91.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2050	#N/A	92.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2051	#N/A	93.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2052	#N/A	94.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2053	#N/A	95.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2054	#N/A	96.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
2055	#N/A	97.61	\$99,114	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0
SUMS:			\$4,985,251	\$839,455	\$136,389	\$703,066		\$293,902	\$28,957	\$264,945	\$438,121

Warren, Wrongful Term, Earnings & Pension, Haverly

ANNUITY COST TO REPLACE LOST EARNINGS												
Year		Age		PBGC Discount Factor		Estimated Losses		Survival Probability		Mkt. Value @ PBGC 2005\$		Adjustment Required Current \$
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)		(22)	(23)	
2004	0.00%	0.00	1.000000		\$0		\$0	\$0			\$0	
2005	3.50%	47.61	1.000000	\$60,708	0.99408	\$60,349	\$214	\$60,923			\$60,562	\$60,562
2006	3.50%	48.61	0.986184	\$42,589	0.99059	\$40,761	\$1,339	\$43,928			\$42,043	\$102,605
2007	3.50%	49.61	0.933511	\$45,241	0.98872	\$41,672	\$1,339	\$46,579			\$42,905	\$145,510
2008	3.50%	50.61	0.901943	\$47,897	0.98245	\$42,443	\$1,347	\$49,245			\$43,636	\$189,146
2009	3.50%	51.61	0.871442	\$50,749	0.97778	\$43,242	\$1,361	\$52,110			\$44,402	\$233,548
2010	3.50%	52.61	0.841973	\$53,138	0.97269	\$43,519	\$1,379	\$54,517			\$44,648	\$278,197
2011	3.50%	53.61	0.813501	\$55,579	0.96719	\$43,730	\$1,398	\$56,977			\$44,830	\$323,027
2012	3.50%	54.61	0.785991	\$58,187	0.96126	\$43,963	\$1,415	\$59,603			\$45,032	\$368,059
2013	3.50%	55.61	0.759412	\$24,032	0.95490	\$17,427	\$1,611	\$25,643			\$18,596	\$386,655
2014	3.50%	56.61	0.733731	\$0	0.94808	\$0	\$0	\$0			\$0	\$386,655
2015	3.50%	57.61	0.708919	\$0	0.94076	\$0	\$0	\$0			\$0	\$386,655
2016	3.50%	58.61	0.684946	\$0	0.93287	\$0	\$0	\$0			\$0	\$386,655
2017	3.50%	59.61	0.661783	\$0	0.92433	\$0	\$0	\$0			\$0	\$386,655
2018	3.50%	60.61	0.639404	\$0	0.91503	\$0	\$0	\$0			\$0	\$386,655
2019	3.50%	61.61	0.617782	\$0	0.90484	\$0	\$0	\$0			\$0	\$386,655
2020	3.50%	62.61	0.596891	\$0	0.89363	\$0	\$0	\$0			\$0	\$386,655
2021	3.50%	63.61	0.576706	\$0	0.88124	\$0	\$0	\$0			\$0	\$386,655
2022	3.50%	64.61	0.557204	\$0	0.86750	\$0	\$0	\$0			\$0	\$386,655
2023	3.50%	65.61	0.538361	\$0	0.85225	\$0	\$0	\$0			\$0	\$386,655
2024	3.50%	66.61	0.520156	\$0	0.83537	\$0	\$0	\$0			\$0	\$386,655
2025	3.50%	67.61	0.502566	\$0	0.81680	\$0	\$0	\$0			\$0	\$386,655
2026	4.75%	68.61	0.479777	\$0	0.79653	\$0	\$0	\$0			\$0	\$386,655
2027	4.75%	69.61	0.458021	\$0	0.77460	\$0	\$0	\$0			\$0	\$386,655
2028	4.75%	70.61	0.437251	\$0	0.75109	\$0	\$0	\$0			\$0	\$386,655
2029	4.75%	71.61	0.417423	\$0	0.72602	\$0	\$0	\$0			\$0	\$386,655
2030	4.75%	72.61	0.398495	\$0	0.69939	\$0	\$0	\$0			\$0	\$386,655
2031	4.75%	73.61	0.380425	\$0	0.67115	\$0	\$0	\$0			\$0	\$386,655
2032	4.75%	74.61	0.362174	\$0	0.64122	\$0	\$0	\$0			\$0	\$386,655
2033	4.75%	75.61	0.346708	\$0	0.60955	\$0	\$0	\$0			\$0	\$386,655
2034	4.75%	76.61	0.330984	\$0	0.57617	\$0	\$0	\$0			\$0	\$386,655
2035	4.75%	77.61	0.315975	\$0	0.54121	\$0	\$0	\$0			\$0	\$386,655
2036	4.75%	78.61	0.301647	\$0	0.50488	\$0	\$0	\$0			\$0	\$386,655
2037	4.75%	79.61	0.287968	\$0	0.46748	\$0	\$0	\$0			\$0	\$386,655
2038	4.75%	80.61	0.274910	\$0	0.42939	\$0	\$0	\$0			\$0	\$386,655
2039	4.75%	81.61	0.262444	\$0	0.39104	\$0	\$0	\$0			\$0	\$386,655
2040	4.75%	82.61	0.250543	\$0	0.35290	\$0	\$0	\$0			\$0	\$386,655
2041	4.75%	83.61	0.239182	\$0	0.31548	\$0	\$0	\$0			\$0	\$386,655
2042	4.75%	84.61	0.228336	\$0	0.27925	\$0	\$0	\$0			\$0	\$386,655
2043	4.75%	85.61	0.217982	\$0	0.24458	\$0	\$0	\$0			\$0	\$386,655
2044	4.75%	86.61	0.208097	\$0	0.21183	\$0	\$0	\$0			\$0	\$386,655
2045	4.75%	87.61	0.198681	\$0	0.18131	\$0	\$0	\$0			\$0	\$386,655
2046	4.75%	88.61	0.189652	\$0	0.15324	\$0	\$0	\$0			\$0	\$386,655
2047	4.75%	89.61	0.181052	\$0	0.12775	\$0	\$0	\$0			\$0	\$386,655
2048	4.75%	90.61	0.172842	\$0	0.10498	\$0	\$0	\$0			\$0	\$386,655
2049	4.75%	91.61	0.165005	\$0	0.08499	\$0	\$0	\$0			\$0	\$386,655
2050	4.75%	92.61	0.157522	\$0	0.06774	\$0	\$0	\$0			\$0	\$386,655
2051	4.75%	93.61	0.150379	\$0	0.05298	\$0	\$0	\$0			\$0	\$386,655
2052	4.75%	94.61	0.143560	\$0	0.04058	\$0	\$0	\$0			\$0	\$386,655
2053	4.75%	95.61	0.137050	\$0	0.03049	\$0	\$0	\$0			\$0	\$386,655
2054	4.75%	96.61	0.130838	\$0	0.02245	\$0	\$0	\$0			\$0	\$386,655
2055	4.75%	97.61	0.124903	\$0	0.01614	\$0	\$0	\$0			\$0	\$386,655
SUMS:				\$438,121		\$377,108	\$11,404	\$449,525			\$386,655	

Pension Loss Estimates

PENSION SUMMARY SHEET	
Date of Analysis:	
Name:	28-Oct-05
Attorney Name:	Warren
Income Replaced:	Haverly After-Tax
PAST LOSSES:	
FUTURE LOSSES:	
Sum of Losses, If Party Lived to End of Life Table:	\$0
Sum of Losses, Reduced for Survival Probability to Age:	114.00
Annuity Value of Net Future Losses, PBGC Taxable Annuity Price:	\$0
Annuity Value of Approximate Tax on Compensation:	\$1,128,736
Current Market Price to Buy Annuity equal to Future losses, Payment Stream Only:	\$436,000
MARKET PRICE TO REPLACE FUTURE LOSSES, MONTH OF:	\$16,145
DATA, ASSUMPTIONS, IMPLIED GROWTH	\$452,145
Pension Benefit at Loss Start Date:	Oct-05
Pension Benefit as of Today, Termed	\$452,145
PBGC Instruction Set, Rate for First 20 Years	3.50%
Alternative Used for Analysis, Direct Discounting:	PBGC Rate Years Thereafter:
Annuity Price with Tax Adjustment Comparable to Tax-Free Bond Yield of:	4.75%
Date of Birth of Party:	22-May-58
Pension Age	55.00 Pension Age, End of Yr.
	Date Injury First Caused Reduction in Pension
	55.00
	Exact Age on Analysis Date:
	21-May-13
	Date of Term
	10/15/2005
	Exact Age when termed:
	47.44
	Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, At Term
	47.40
	Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, Today:
	32.40
	Reported Life Expectancy at Term:
	32.40
	32.40
TAXES	
Average Effective Earned Income Tax Rate, No Event, State & Federal:	#DIV/0!
Average Effective Earned Income Tax Rate, Event, State & Federal:	#DIV/0!
Marginal Tax Rate on Compensation, State & Federal:	3.45%
Average Tax Rate including Compensation, State & Federal:	8.92%

Pension Loss Estimates

Year	SSA Nominal Pension Growth No Injury	Age	PAST & EXPECTED PENSION LOSSES								
			Gross Pension 2005\$	Converted To Current Dollars	Estimated Taxes on Pension	Pension Bul For Injury	Pension Growth Injured	Gross Pension Injured	Estimated Taxes on Pension	Pension Given Injury	Estimated Losses Current \$
2012		55.61	\$48,546	\$59,086	\$7,689	\$51,398		\$33,923	\$2,828	\$31,095	\$20,303
2013		56.61	\$78,982	\$98,822	\$15,729	\$83,093	67.3%	\$56,736	\$7,250	\$49,485	\$33,607
2014	67.3%	56.61	\$78,982	\$101,589	\$16,187	\$85,402	2.8%	\$58,324	\$7,471	\$50,853	\$34,548
2015	2.8%	57.61	\$78,982	\$104,433	\$16,658	\$87,775	2.8%	\$59,957	\$7,697	\$52,260	\$35,516
2017	2.8%	59.61	\$78,982	\$107,358	\$17,142	\$90,216	2.8%	\$61,636	\$7,931	\$53,706	\$36,510
2018	2.8%	60.61	\$78,982	\$110,364	\$17,639	\$92,724	2.8%	\$63,362	\$8,170	\$55,192	\$37,532
2019	2.8%	61.61	\$78,982	\$113,454	\$18,151	\$95,303	2.8%	\$65,136	\$8,416	\$56,720	\$38,583
2020	2.8%	62.61	\$78,982	\$116,630	\$18,677	\$97,954	2.8%	\$66,960	\$8,670	\$58,290	\$39,664
2021	2.8%	63.61	\$78,982	\$119,896	\$19,217	\$100,679	2.8%	\$68,835	\$8,930	\$59,905	\$40,774
2022	2.8%	64.61	\$78,982	\$123,253	\$19,773	\$103,481	2.8%	\$70,762	\$9,197	\$61,565	\$41,918
2023	2.8%	65.61	\$78,982	\$126,704	\$20,344	\$106,360	2.8%	\$72,743	\$9,472	\$63,271	\$43,090
2024	2.8%	66.61	\$78,982	\$130,252	\$20,931	\$109,321	2.8%	\$74,780	\$9,755	\$65,025	\$44,296
2025	2.8%	67.61	\$78,982	\$133,899	\$21,535	\$112,365	2.8%	\$76,874	\$10,046	\$66,828	\$45,536
2026	2.8%	68.61	\$78,982	\$137,648	\$22,155	\$115,493	2.8%	\$79,027	\$10,345	\$68,682	\$46,811
2027	2.8%	69.61	\$78,982	\$141,502	\$22,793	\$118,709	2.8%	\$81,239	\$10,652	\$70,587	\$48,122
2028	2.8%	70.61	\$78,982	\$145,465	\$23,449	\$122,016	2.8%	\$83,514	\$10,968	\$72,546	\$49,469
2029	2.8%	71.61	\$78,982	\$149,538	\$24,123	\$125,415	2.8%	\$85,852	\$11,292	\$74,560	\$50,855
2030	2.8%	72.61	\$78,982	\$153,725	\$24,816	\$128,909	2.8%	\$88,256	\$11,626	\$76,630	\$52,279
2031	2.8%	73.61	\$78,982	\$158,029	\$25,528	\$132,501	2.8%	\$90,727	\$11,969	\$78,758	\$53,742
2032	2.8%	74.61	\$78,982	\$162,454	\$26,260	\$136,193	2.8%	\$93,268	\$12,322	\$80,946	\$55,247
2033	2.8%	75.61	\$78,982	\$167,002	\$27,013	\$139,989	2.8%	\$95,879	\$12,684	\$83,195	\$56,794
2034	2.8%	76.61	\$78,982	\$171,678	\$27,787	\$143,891	2.8%	\$98,564	\$13,057	\$85,507	\$58,384
2035	2.8%	77.61	\$78,982	\$176,486	\$28,583	\$147,903	2.8%	\$101,324	\$13,440	\$87,884	\$60,019
2036	2.8%	78.61	\$78,982	\$181,427	\$29,401	\$152,026	2.8%	\$104,161	\$13,834	\$90,327	\$61,700
2037	2.8%	79.61	\$78,982	\$186,507	\$30,241	\$156,266	2.8%	\$107,077	\$14,239	\$92,838	\$63,427
2038	2.8%	80.61	\$78,982	\$191,729	\$31,106	\$160,624	2.8%	\$110,075	\$14,655	\$95,420	\$65,203
2039	2.8%	81.61	\$78,982	\$197,098	\$31,994	\$165,104	2.8%	\$113,158	\$15,083	\$98,075	\$67,029
2040	2.8%	82.61	\$78,982	\$202,616	\$32,907	\$169,709	2.8%	\$116,326	\$15,523	\$100,803	\$68,906
2041	2.8%	83.61	\$78,982	\$208,290	\$33,846	\$174,443	2.8%	\$119,583	\$15,975	\$103,608	\$70,835
2042	2.8%	84.61	\$78,982	\$214,122	\$34,812	\$179,310	2.8%	\$122,931	\$16,440	\$106,492	\$72,818
2043	2.8%	85.61	\$78,982	\$220,117	\$35,804	\$184,313	2.8%	\$126,374	\$16,918	\$109,456	\$74,857
2044	2.8%	86.61	\$78,982	\$226,280	\$36,824	\$189,456	2.8%	\$129,912	\$17,409	\$112,503	\$76,953
2045	2.8%	87.61	\$78,982	\$232,616	\$37,872	\$194,744	2.8%	\$133,549	\$17,914	\$115,636	\$79,108
2046	2.8%	88.61	\$78,982	\$239,129	\$38,950	\$200,179	2.8%	\$137,289	\$18,433	\$118,856	\$81,323
2047	2.8%	89.61	\$78,982	\$245,825	\$40,059	\$205,767	2.8%	\$141,133	\$18,967	\$122,166	\$83,600
2048	2.8%	90.61	\$78,982	\$252,708	\$41,198	\$211,510	2.8%	\$145,085	\$19,515	\$125,570	\$85,941
2049	2.8%	91.61	\$78,982	\$259,784	\$42,369	\$217,415	2.8%	\$149,147	\$20,079	\$129,068	\$88,347
2050	2.8%	92.61	\$78,982	\$267,058	\$43,573	\$223,485	2.8%	\$153,323	\$20,659	\$132,664	\$90,821
2051	2.8%	93.61	\$78,982	\$274,536	\$44,810	\$229,725	2.8%	\$157,616	\$21,255	\$136,361	\$93,364
2052	2.8%	94.61	\$78,982	\$282,223	\$46,082	\$236,140	2.8%	\$162,029	\$21,867	\$140,162	\$95,978
2053	2.8%	95.61	\$78,982	\$290,125	\$47,390	\$242,735	2.8%	\$166,566	\$22,497	\$144,069	\$98,665
2054	2.8%	96.61	\$78,982	\$298,248	\$48,735	\$249,514	2.8%	\$171,230	\$23,145	\$148,085	\$101,428
2055	2.8%	97.61	\$78,982	\$306,599	\$50,117	\$256,482	2.8%	\$176,025	\$23,810	\$152,214	\$104,268
2056	2.8%	98.61	\$78,982	\$315,184	\$51,538	\$263,646	2.8%	\$180,953	\$24,494	\$156,459	\$107,188
2057	2.8%	99.61	\$78,982	\$324,009	\$52,998	\$271,011	2.8%	\$186,020	\$25,198	\$160,822	\$110,189
2058	2.8%	100.61	\$78,982	\$333,081	\$54,500	\$278,582	2.8%	\$191,229	\$25,921	\$165,308	\$113,274
2059	2.8%	101.61	\$78,982	\$342,408	\$56,043	\$286,365	2.8%	\$196,583	\$26,664	\$169,919	\$116,446
2060	2.8%	102.61	\$78,982	\$351,995	\$57,630	\$294,365	2.8%	\$202,087	\$27,428	\$174,659	\$119,706
2061	2.8%	103.61	\$78,982	\$361,851	\$59,261	\$302,590	2.8%	\$207,746	\$28,214	\$179,532	\$123,058
2062	2.8%	104.61	\$78,982	\$371,983	\$60,938	\$311,045	2.8%	\$213,563	\$29,021	\$184,541	\$126,504
2063	2.8%	105.61	\$78,982	\$382,398	\$62,662	\$319,737	2.8%	\$219,542	\$29,852	\$189,691	\$130,046
SUMS:				\$1,715,838					\$809,196		

Pension Loss Estimates

ANNUITY COST TO REPLACE LOST PENSION

Year	PBGC RATES	Age	Estimated Losses Current \$	Actuarial Adjustment Current \$	Mkt. Value @ PBGC 2005\$	Adjustment Required Current \$	Payment Required Current \$	Actuarial Adjustment Current \$	Mkt. Value Tax Adjusted 2005\$	Cumulative Losses
2012	0.00%	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	3.50%	55.61	\$20,303	\$19,084	\$14,493	\$1,643	\$21,946	\$20,629	\$15,668	\$15,666
2014	3.50%	56.61	\$33,607	\$31,381	\$23,025	\$1,194	\$34,801	\$32,496	\$23,843	\$39,509
2015	3.50%	57.61	\$34,548	\$32,029	\$22,706	\$1,227	\$35,775	\$33,167	\$23,513	\$63,022
2016	3.50%	58.61	\$35,516	\$32,672	\$22,379	\$1,262	\$36,777	\$33,833	\$23,173	\$86,195
2017	3.50%	59.61	\$36,510	\$33,305	\$22,041	\$1,297	\$37,807	\$34,488	\$22,824	\$109,019
2018	3.50%	60.61	\$37,532	\$33,924	\$21,691	\$1,333	\$38,866	\$35,129	\$22,462	\$131,481
2019	3.50%	61.61	\$38,583	\$34,523	\$21,328	\$1,370	\$39,954	\$35,749	\$22,085	\$153,566
2020	3.50%	62.61	\$39,664	\$35,095	\$20,948	\$1,409	\$41,072	\$36,341	\$21,692	\$175,258
2021	3.50%	63.61	\$40,774	\$35,630	\$20,548	\$1,448	\$42,223	\$36,896	\$21,278	\$196,536
2022	3.50%	64.61	\$41,916	\$36,120	\$20,126	\$1,489	\$43,405	\$37,403	\$20,841	\$217,377
2023	3.50%	65.61	\$43,090	\$36,552	\$19,678	\$1,531	\$44,620	\$37,851	\$20,377	\$237,754
2024	3.50%	66.61	\$44,298	\$36,915	\$19,202	\$1,573	\$45,869	\$38,227	\$19,884	\$257,638
2025	4.75%	67.61	\$45,536	\$37,197	\$14,704	\$1,617	\$47,154	\$38,519	\$15,226	\$272,864
2026	4.75%	68.61	\$46,811	\$37,389	\$14,109	\$1,663	\$48,474	\$38,717	\$14,611	\$287,475
2027	4.75%	69.61	\$48,122	\$37,482	\$13,503	\$1,709	\$49,831	\$38,813	\$13,983	\$301,458
2028	4.75%	70.61	\$49,468	\$37,471	\$12,887	\$1,757	\$51,227	\$38,802	\$13,345	\$314,802
2029	4.75%	71.61	\$50,855	\$37,351	\$12,263	\$1,806	\$52,661	\$38,677	\$12,699	\$327,501
2030	4.75%	72.61	\$52,279	\$37,115	\$11,633	\$1,857	\$54,136	\$38,434	\$12,046	\$339,548
2031	4.75%	73.61	\$53,742	\$36,755	\$10,998	\$1,909	\$55,651	\$38,060	\$11,389	\$350,936
2032	4.75%	74.61	\$55,247	\$36,258	\$10,357	\$1,962	\$57,210	\$37,546	\$10,725	\$361,661
2033	4.75%	75.61	\$56,794	\$35,611	\$9,711	\$2,017	\$58,811	\$36,876	\$10,056	\$371,717
2034	4.75%	76.61	\$58,384	\$34,800	\$9,060	\$2,074	\$60,458	\$36,036	\$9,381	\$381,099
2035	4.75%	77.61	\$60,019	\$33,816	\$8,404	\$2,132	\$62,151	\$35,017	\$8,703	\$389,802
2036	4.75%	78.61	\$61,700	\$32,653	\$7,747	\$2,192	\$63,891	\$33,813	\$8,022	\$397,824
2037	4.75%	79.61	\$63,427	\$31,314	\$7,093	\$2,253	\$65,680	\$32,426	\$7,345	\$405,169
2038	4.75%	80.61	\$65,203	\$29,807	\$6,445	\$2,316	\$67,519	\$30,865	\$6,674	\$411,843
2039	4.75%	81.61	\$67,029	\$28,144	\$5,810	\$2,381	\$69,410	\$29,144	\$6,016	\$417,859
2040	4.75%	82.61	\$68,906	\$26,348	\$5,192	\$2,448	\$71,353	\$27,284	\$5,377	\$423,236
2041	4.75%	83.61	\$70,835	\$24,444	\$4,599	\$2,516	\$73,351	\$25,313	\$4,762	\$427,998
2042	4.75%	84.61	\$72,818	\$22,464	\$4,034	\$2,587	\$75,405	\$23,262	\$4,178	\$432,175
2043	4.75%	85.61	\$74,857	\$20,441	\$3,505	\$2,659	\$77,516	\$21,167	\$3,629	\$435,805
2044	4.75%	86.61	\$76,953	\$18,404	\$3,012	\$2,733	\$79,687	\$19,058	\$3,119	\$438,924
2045	4.75%	87.61	\$79,108	\$16,387	\$2,561	\$2,810	\$81,918	\$16,969	\$2,651	\$441,575
2046	4.75%	88.61	\$81,323	\$14,419	\$2,151	\$2,889	\$84,212	\$14,931	\$2,227	\$443,803
2047	4.75%	89.61	\$83,600	\$12,527	\$1,784	\$2,970	\$86,570	\$12,972	\$1,847	\$445,650
2048	4.75%	90.61	\$85,941	\$10,736	\$1,460	\$3,053	\$88,994	\$11,117	\$1,511	\$447,161
2049	4.75%	91.61	\$88,347	\$9,070	\$1,177	\$3,138	\$91,485	\$9,392	\$1,219	\$448,380
2050	4.75%	92.61	\$90,821	\$7,548	\$835	\$3,226	\$94,047	\$7,816	\$968	\$449,349
2051	4.75%	93.61	\$93,364	\$6,184	\$731	\$3,316	\$96,680	\$6,404	\$757	\$450,106
2052	4.75%	94.61	\$95,978	\$4,972	\$561	\$3,409	\$99,387	\$5,149	\$581	\$450,688
2053	4.75%	95.61	\$98,665	\$3,915	\$422	\$3,505	\$102,170	\$4,054	\$437	\$451,125
2054	4.75%	96.61	\$101,428	\$3,025	\$311	\$3,603	\$105,031	\$3,132	\$322	\$451,447
2055	4.75%	97.61	\$104,268	\$2,289	\$225	\$3,704	\$107,972	\$2,370	\$233	\$451,680
2056	4.75%	98.61	\$107,188	\$1,692	\$159	\$3,807	\$110,995	\$1,752	\$164	\$451,844
2057	4.75%	99.61	\$110,189	\$1,219	\$109	\$3,914	\$114,103	\$1,262	\$113	\$451,957
2058	4.75%	100.61	\$113,274	\$853	\$73	\$4,024	\$117,298	\$883	\$76	\$452,033
2059	4.75%	101.61	\$116,446	\$578	\$47	\$4,136	\$120,582	\$598	\$49	\$452,081
2060	4.75%	102.61	\$119,706	\$377	\$29	\$4,252	\$123,958	\$391	\$30	\$452,112
2061	4.75%	103.61	\$123,058	\$235	\$18	\$4,371	\$127,429	\$244	\$18	\$452,130
2062	4.75%	104.61	\$126,504	\$139	\$10	\$4,493	\$130,997	\$143	\$10	\$452,140
2063	4.75%	105.61	\$130,046	\$76	\$5	\$4,619	\$134,665	\$78	\$5	\$452,145
SUMS:			\$1,126,736	\$436,000				\$1,169,695	\$452,145	

EXHIBIT - H

THE LOSS OF EARNINGS AND PENSION
SUSTAINED BY

BRIAN K. PRICE

Submitted to:

MARTIN D. HAVERLY, ESQ.

Attorney at Law
2 East 7th Street
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Wilmington, Delaware, 19801

Submitted By:

THOMAS C. BORZILLERI, PH.D.

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Thomas C. Borzilleri

October 28, 2005

SUMMARY OF FINDINGS

I have estimated the current market cost to replace the earnings and pension losses incurred by Cpl. Brian Price. I place earnings losses at \$544,784 and pension losses at \$676,422, total losses of \$1,221,206. This estimate assumes that Cpl. Price would have remained with the State Police until age 55 and will now leave the department by October 15, 2005.

These estimates are current market costs, based on the current market price for an annuity to replace the economic value of the losses he has sustained, and is likely to sustain, over time. It is therefore an actuarially reduced present value, taking into account Cpl. Price's year to year survival probability (life expectancy), income taxes and interest. One final adjustment must be made. The above estimates are after-tax and any compensation will be taxable. Assuming an effective tax rate of 25% on an award, the loss estimate must be multiplied by 1.333, raising required compensation to \$1,628,275.

Annuity prices change with changes in the money markets and interest rates, so while my analytical method will remain the same, this analysis will be updated at time of trial to reflect the market price for an annuity at that time. Should rates be higher than they are now, the resulting loss estimates will be lower. Alternatively, should rates be lower than they are now, resulting loss estimates will be higher.

INFORMATION PROVIDED BY COUNSEL

The information that follows has been provided to me by Counsel and outlines the basic elements of the case I have been asked to value. As various additional facts become known and/or stipulated to, my estimates may be revised to take those matters into account.

I have been provided with Cpl. Price's date of birth, January 2, 1963 and the date he is expected to leave the department, October 15, 2005. I have also been provided with his service date, September 3, 1985.

I am advised that the testimony will show Cpl. Price intended to remain with the department to age 55. I am also advised that upon leaving the force, Cpl. Price will find employment in a position paying in the range of \$30,000 to \$35,000 per year with minimal benefits.

Cpl. Price is a Cpl. Master, Step 19, earning \$78,774 per year. The department pension plan provides a pension equal to 2.5% of high, three-year, average salary for the first 20 years of service and 3.5% of final average salary for every year thereafter. Given a termination date of October 15, 2005, he will have 20.11 years of service. I estimate that upon leaving the

department he will have earned a pension equal to 50.5 % of average salary, producing a benefit of \$35,803 per year. Had he worked to age 55 however, he would have had 32.2 years of service at retirement and earned a pension equal to 93.16% of final average salary, producing a benefit of approximately \$124,238 per year.

OVERVIEW OF METHOD

Economic losses may be computed in so-called "real" or after-inflation terms or in terms of nominal amounts, dollar losses without adjusting for purchasing power. Either calculation produces approximately the same answer. Typically in the "real" approach, historical rates of real earnings growth, in the range of 1% to 3% per year, and real interest rates, also in the 1% to 3% per year range, are cited as a reasonable forecast of these rates for the future.

I favor the alternative approach, one in which nominal rates of earnings growth and market interest rates are used. To provide a conservative estimate of losses, I assume a growth in the pay scale of 3% per year.

In place of an after-inflation interest rate forecast of bond yields for discounting I use the current market price for the purchase of an annuity to "discount" these future losses. Using a market price to purchase a contract to replace future income rather than a forecast for assumed future investment returns, real or nominal returns, eliminates this source of forecast uncertainty and provides, I believe, a more accurate assessment of the present value of losses than any approach that requires direct forecasting.

THE PRESENT VALUE OF FUTURE LOSSES

Given an estimate of year by year, expected losses, these future losses must be converted into a present dollar equivalent. While there are numerous financial instruments that might be used to establish the present value of a future loss, I perform my conversion using information on the current annuity market provided the United States Pension Benefit Guaranty Corporation (PBGC)¹. These annuity prices are used to value all future losses. Note however, that while I estimate current market annuity prices for this analysis using the average prices reported by the PBGC methodology, any annuity from a solid company producing the same replacement income is an acceptable valuation alternative².

¹ United States Government, *Code of Federal Regulations*, 29 CFR Parts 2619 & 2676, Washington, D.C., September 28, 1993.

² I estimate current market annuity prices for this analysis using the PBGC methodology, but any quality annuity contract producing the same replacement income is an alternative for the establishment of present value.

PBGC is a United States Government agency charged with the responsibility of insuring pension plans in the event of employer default under the Employee Retirement Income Security Act (ERISA). As a consequence of that responsibility, PBGC monitors the annuity market and collects price data each month from a national sample of insurance and annuity companies. The PBGC Methodology permits the analyst to approximate the current price of an annuity found in this survey, given only the party's age and gender.

The methodology is essentially a method to distribute and disseminate current annuity prices. The prices, as stated above, come from a survey of the market and are not forecasts. Each month, the PBGC provides "discount rates", based on its survey results that are to be combined with its specific life table. Neither the specific life table nor the rates to be used, determine these annuity prices - which again, come from a survey.

These rates are not the yield on a specific financial instrument but rather rates, which when mathematically combined with the specific PBGC mortality tables (so-called 83GAM Tables), reproduces the findings of the PBGC annuity price survey for the age and gender of the party involved. Since price is known from the survey, if all analysts use the same life table (regardless of which table) a rate can be established to produce that price. Hence, PBGC rates are not traditional discount rates in the sense of expected yields or rates of return on a portfolio, but rather a technical instruction to implement the Methodology. The PBGC rates are applied to an actuarially reduced stream of income, reduced by year to year survival probabilities, and hence the implicit rates of return are higher than would be the case if the income stream was an unreduced flow certain, as in a typical discounting problem.

The PBGC price survey provides an accurate, cost-effective, and objective estimate of the actual, current market price required to purchase a future flow of income equal to the amount required to compensate the party for expected future losses. Implicitly, my compensation approach is to provide Cpl. Price with a cash payment sufficient to cover past losses and cash payment sufficient to purchase an annuity, a market-determined present value, to replace future losses.

I am not requiring that such an instrument actually be chosen for compensation purposes. I am using annuity prices as an indicator of the financial market's "tradeoff" between the value of future dollars and the value of present dollars, inclusive of available investments, the time period involved, cash requirements associated with compensation, and mortality considerations. PBGC price information is current, reflecting actual economic

conditions in the money market in the month of the lost earnings analysis and in fact, is a function of the current yields on the professionally managed, investment portfolios of insurance or annuity companies that back these annuity contracts³.

The use of an annuity price to establish the discounted present value of future losses provides a number of advantages over the more familiar approach in which an analyst explicitly specifies an expected yield on a particular financial instrument or investment portfolio, typically bonds. Most importantly, an annuity price is an actual, market price at this point in time, not a forecast of future yields.

In addition, PBGC prices are objective, provided by the U.S. Government, and not prepared for the purpose of the litigation at issue. The price is a market price, favoring neither plaintiff nor defense and such prices are public information that may be easily verified by all parties to the litigation. Finally, an annuity provides for periodic payments, a flow of compensating income timed similarly to the losses that are expected to occur in the future. Regardless of the future course of interest rates, an annuity price provides the actual market cost today, to purchase the required future flow of compensating payments for future losses.

VALUATION ADJUSTMENTS

The annuity prices that PBGC monitors however, are taxable annuities and therefore the compensating income I calculate using these prices will be less than the income Cpl. Price would have earned had he not been required to leave the department. Ideally, the compensating instrument would be tax-free, so that the flow of compensation after tax would exactly equal the flow of income I seek to replace without the complication of taxes. Tax free municipal bonds represent one alternative financial instrument that could be used, but to do so gives up the advantage of using a current price and requires that a rate of return forecast be made for the damage period.

To approximate the price of a tax-free annuity, I calculate the approximate tax liability associated with the annuity payments and increase each year's payment such that after taxes, Cpl. Price would receive the amount I estimate that he has lost. This is similar to performing the analysis with tax-

³ The PBGC Methodology involves 2 components: the financial flow required to pay the annuity to individuals, and for groups of employees, an administrative cost component. Because I am dealing with an individual rather than a group of employees, I use only the financial flow. Administrative expenses are ignored and therefore my estimated annuity price may be somewhat below group annuity market prices.

free municipal bonds but it maintains the advantages I believe exist when an annuity price is used for the future loss calculation. This adjustment increases the loss estimates by the present value of expected taxes on the compensation, just as the loss estimates would be increased if I used the lower yields associated with tax-free instruments.

This is the column labeled "Adjustment Required" on the attached printouts, Schedule 3. It should be noted however, that my analysis produces loss estimates both with and without this adjustment. The column labeled "Market Value @ PBGC" provides losses without the above tax adjustment. In the event that my adjustment is deemed inappropriate however, estimates are provided both with and without it.

LOSS ESTIMATES

Detailed printouts of my calculations are attached to this report. Three schedules are provided. Schedule 1 displays some of the basic data used in the calculation and various summary statistics that result from my calculations while Schedules 2 and 3 provide the year-by-year details of my estimates.

Schedule 2, Past & Expected Earnings Losses: Column 2 displays the rate of earnings growth used to increase Cpl. Price's earnings over time. Column 4 labeled "Gross Earnings, 2005 Dollars" displays my estimated earnings over time expressed in today's dollars and shows the estimated year by year earnings Cpl. Price would achieve over time. It is a benchmark calculation, useful for appraising the reasonableness of resulting estimates of future earnings.

The next column, Column 5, converts those dollars to so-called current dollars, dollars of the year in question, rather than in terms of today's purchasing power. Column 7 labeled "Earnings But For Termination" is self-explanatory. The next four columns are comparable, but concern earning given the termination. The difference between earnings had the termination not occurred and probable earnings now is my estimate of losses, Column 12 "Estimated Losses, Current Dollars".

Schedule 3, Annuity Cost to Replace Lost Earnings: Schedule 3 displays the conversion of these earnings loss amounts into actuarially discounted present or market values. Column 14 is the PBGC discount rates for the year in question while Column 16 shows the resulting annual discount factors. Column 17, "Estimated Losses, Current Dollars" on Schedule 3 is identical to Column 12, "Estimated Losses, Current Dollars" on Schedule 2, except that all past losses are adjusted to 2005 dollars. Column 18 shows the year to year survival probabilities given the person's age and

sex. Column 19 shows the present value or market replacement cost of each payment valued using the PBGC annuity price.

As discussed above however, this annuity would have tax consequences to the recipient and would therefore result in less income than the party would have earned, had the termination not occurred. Column 20 labeled "Adjustment Required" provides my estimate of the tax consequences of the annuity and therefore the additional payment that would be required to leave Cpl. Price in the same economic status as he would have had without the termination. These augmented payments are then reduced for the probability of survival and again priced using the PBGC methodology to estimate annuity prices in Column 22.

Price, Wrongful Term, Earnings & Pension, Haverly

EARNINGS SUMMARY SHEET					
Date of Analysis:	28-Oct-05				
Name:	Price				
Attorney's Name:	Haverly				
Income Replaced:	After-Tax				
		Earnings Losses, Assuming Continuous Employment to Age:	55.00	\$544,784	
PAST LOSSES:	15-Oct-05	To: 28-Oct-05		\$47,185	
FUTURE LOSSES:	29-Oct-05	To: 1-Jan-18			
Before Discounting, Sum of Losses, If Party Lives & Works to Age:	55.00		\$644,007		
Annuity Value of Net Future Losses, PBGC Taxable Annuity Price:			\$497,274		
Annuity Value of Approximate Tax on Compensation:	0.07%		\$325		
Current Market Price to Buy Annuity equal to Future losses, Payment Stream Only:			\$497,599		
MARKET PRICE TO REPLACE FUTURE LOSSES, MONTH OF:		Oct-05	\$497,599		
Benchmarks, Approximate Implied Growth - See Attached Tables for Actual Rates Used					
Earnings Capacity at Loss Start Date:	15-Oct-05				
Earnings Capacity as of Today, No Termination:	28-Oct-05		\$75,256		
Earnings Capacity as of Today, Termed	28-Oct-05		\$75,256		
			\$32,500		
PBGC Instruction Set, Rate for First 20 Years	3.60%	PBGC Rate Years Thereafter:	4.75%		
Alternative Used for Analysis, Direct Discounting:			#N/A		
Annuity Price with Tax Adjustment Comparable to Tax-Free Bond Yield of:			5.17%		
Date of Birth of Party:	02-Jan-63	Date Term First Caused Reduction in Earnings			
Age at Term:	42.78	Age at End of Term Year: 42.00	Exact Age on Analysis Date:	15-Oct-05	
				42.82	
				36.12	
				37.06	
				36.12	
				79.88	
Worklife Expectancy					
Worklife Expectancy At Term, 2000, Ciecka, et.al.:		Male	High School Education	18.29	
		Age at Event Plus Worklife at Event		61.07	
Explicit Retirement Age					
Unadjusted Workyears, Number of Years From Term to Explicit Retirement Age Calculation:			55		
Probability of Survival to Retirement Age, GAM 83 Life Table:			12.22		
Expected Work Years, Yrs in LF, If Alive, between event and Age	55.00		0.9762		
Age at Event Plus Adjusted Worklife at Event, Pre- Reduction of Survival Probability			18.74		
Percent Time in the Labor Force Expected Between Term and Explicit Retirement Age:			61.52		
			153.4%		
Taxation					
Average Effective Earned Income Tax Rate, No Event, State & Federal:				16.56%	
Average Effective Earned Income Tax Rate, Event, State & Federal:				11.05%	
Marginal Tax Rate on Compensation, State & Federal:				0.05%	
Average Tax Rate including Compensation, State & Federal:				3.93%	

Price, Wrongful Term, Earnings & Pension, Haverly

Year	Growth Rates	SSA No Term	Age	PAST & EXPECTED EARNINGS LOSSES								
				Gross Earnings 2005\$	Gross Earnings Current \$	Estimated Taxes on Earnings	Earnings But For Term	Earnings Growth Termed	Gross Earnings Termed	Estimated Taxes on Earnings	Earnings Given Term	Estimated Losses Current \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
2004	#DIV/0!	0.00		\$0	\$0	\$0	0.00%	\$0	\$0	\$0	\$0	
2005	#DIV/0!	43.00	\$75,256	\$75,256	\$11,097	\$64,160	#N/A	\$6,851	\$0	\$6,851	\$0	
2006	6.96%	44.00	\$78,760	\$80,493	\$12,241	\$68,251	394.27%	\$33,865	\$3,410	\$30,455	\$57,308	
2007	6.31%	45.00	\$81,924	\$85,568	\$13,342	\$72,225	4.30%	\$35,321	\$3,647	\$31,674	\$37,796	
2008	5.10%	46.00	\$83,920	\$89,932	\$14,235	\$75,696	4.40%	\$36,875	\$3,892	\$32,984	\$40,552	
2009	5.61%	47.00	\$86,215	\$94,978	\$15,278	\$79,701	4.30%	\$38,461	\$4,134	\$34,327	\$42,713	
2010	5.47%	48.00	\$88,458	\$100,178	\$16,352	\$83,826	4.10%	\$40,038	\$4,372	\$35,666	\$45,374	
2011	5.62%	49.00	\$90,887	\$105,811	\$17,527	\$88,284	4.10%	\$41,679	\$4,621	\$37,058	\$48,160	
2012	6.05%	50.00	\$93,759	\$112,211	\$18,887	\$93,324	4.10%	\$43,388	\$4,881	\$38,507	\$51,225	
2013	4.53%	51.00	\$95,340	\$117,297	\$19,915	\$97,383	4.20%	\$45,211	\$5,163	\$40,048	\$54,817	
2014	3.96%	52.00	\$96,413	\$121,940	\$20,826	\$101,114	4.00%	\$47,019	\$5,439	\$41,580	\$57,335	
2015	4.57%	53.00	\$98,072	\$127,510	\$21,960	\$105,550	4.00%	\$48,900	\$5,727	\$43,173	\$59,534	
2016	4.50%	54.00	\$99,693	\$133,248	\$23,129	\$110,118	3.90%	\$50,807	\$6,017	\$44,790	\$62,377	
2017	4.57%	55.00	\$101,407	\$139,334	\$24,378	\$114,956	3.90%	\$52,788	\$6,320	\$46,468	\$65,329	
2018	#N/A	56.00	\$102,492	\$297	\$0	\$297	#N/A	\$113	\$0	\$113	\$185	
2019	#N/A	57.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2020	#N/A	58.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2021	#N/A	59.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2022	#N/A	60.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2023	#N/A	61.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2024	#N/A	62.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2025	#N/A	63.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2026	#N/A	64.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2027	#N/A	65.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2028	#N/A	66.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2029	#N/A	67.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2030	#N/A	68.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2031	#N/A	69.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2032	#N/A	70.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2033	#N/A	71.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2034	#N/A	72.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2035	#N/A	73.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2036	#N/A	74.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2037	#N/A	75.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2038	#N/A	76.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2039	#N/A	77.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2040	#N/A	78.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2041	#N/A	79.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2042	#N/A	80.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2043	#N/A	81.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2044	#N/A	82.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2045	#N/A	83.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2046	#N/A	84.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2047	#N/A	85.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2048	#N/A	86.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2049	#N/A	87.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2050	#N/A	88.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2051	#N/A	89.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2052	#N/A	90.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2053	#N/A	91.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2054	#N/A	92.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
2055	#N/A	93.00	\$102,492	\$0	\$0	\$0	#N/A	\$0	\$0	\$0	\$0	
SUMS:				\$5,064,817	\$1,384,053	\$229,167	\$1,154,886		\$521,317	\$57,622	\$463,694	\$691,191

Price, Wrongful Term, Earnings & Pension, Haverly

ANNUITY COST TO REPLACE LOST EARNINGS												
Year		PBGC RATES		Age		PBGC Discount Factor		Estimated Losses		Survival Probability		MktValue @ PBGC 2005\$
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)		
2004	0.00%	0.00	1.000000		\$0		\$0	\$0		\$0		
2005	3.50%	43.00	1.000000	\$57,308	0.99676	\$57,122	\$326	\$57,634		\$57,447		\$57,447
2006	3.50%	44.00	0.966184	\$37,796	0.99483	\$36,329	\$0	\$37,796		\$36,329		\$36,329
2007	3.50%	45.00	0.933511	\$40,552	0.99266	\$37,578	\$0	\$40,552		\$37,578		\$37,578
2008	3.50%	46.00	0.901943	\$42,713	0.99021	\$38,147	\$0	\$42,713		\$38,147		\$131,354
2009	3.50%	47.00	0.871442	\$45,374	0.98745	\$39,044	\$0	\$45,374		\$39,044		\$169,501
2010	3.50%	48.00	0.841973	\$48,160	0.98435	\$39,915	\$0	\$48,160		\$39,915		\$208,546
2011	3.50%	49.00	0.813501	\$51,225	0.98089	\$40,876	\$0	\$51,225		\$40,876		\$248,461
2012	3.50%	50.00	0.785991	\$54,817	0.97706	\$42,097	\$0	\$54,817		\$42,097		\$289,336
2013	3.50%	51.00	0.759412	\$57,335	0.97283	\$42,358	\$0	\$57,335		\$42,358		\$331,433
2014	3.50%	52.00	0.733731	\$59,534	0.96821	\$42,293	\$0	\$59,534		\$42,293		\$373,791
2015	3.50%	53.00	0.708919	\$62,377	0.96317	\$42,591	\$0	\$62,377		\$42,591		\$416,084
2016	3.50%	54.00	0.684946	\$65,329	0.95772	\$42,855	\$0	\$65,329		\$42,855		\$501,530
2017	3.50%	55.00	0.661783	\$68,488	0.95185	\$43,142	\$0	\$68,488		\$43,142		\$544,672
2018	3.50%	56.00	0.639404	\$186	0.94555	\$112	\$0	\$185		\$112		\$544,784
2019	3.50%	57.00	0.617782	\$0	0.93880	\$0	\$0	\$0		\$0		\$544,784
2020	3.50%	58.00	0.596891	\$0	0.93155	\$0	\$0	\$0		\$0		\$544,784
2021	3.50%	59.00	0.576706	\$0	0.92374	\$0	\$0	\$0		\$0		\$544,784
2022	3.50%	60.00	0.557204	\$0	0.91528	\$0	\$0	\$0		\$0		\$544,784
2023	3.50%	61.00	0.538361	\$0	0.90607	\$0	\$0	\$0		\$0		\$544,784
2024	3.50%	62.00	0.520156	\$0	0.89598	\$0	\$0	\$0		\$0		\$544,784
2025	3.50%	63.00	0.502566	\$0	0.88488	\$0	\$0	\$0		\$0		\$544,784
2026	4.75%	64.00	0.479777	\$0	0.87261	\$0	\$0	\$0		\$0		\$544,784
2027	4.75%	65.00	0.458021	\$0	0.85900	\$0	\$0	\$0		\$0		\$544,784
2028	4.75%	66.00	0.437251	\$0	0.84390	\$0	\$0	\$0		\$0		\$544,784
2029	4.75%	67.00	0.417423	\$0	0.82719	\$0	\$0	\$0		\$0		\$544,784
2030	4.75%	68.00	0.398495	\$0	0.80880	\$0	\$0	\$0		\$0		\$544,784
2031	4.75%	69.00	0.380425	\$0	0.78873	\$0	\$0	\$0		\$0		\$544,784
2032	4.75%	70.00	0.363174	\$0	0.76702	\$0	\$0	\$0		\$0		\$544,784
2033	4.75%	71.00	0.346706	\$0	0.74374	\$0	\$0	\$0		\$0		\$544,784
2034	4.75%	72.00	0.330984	\$0	0.71892	\$0	\$0	\$0		\$0		\$544,784
2035	4.75%	73.00	0.315975	\$0	0.69255	\$0	\$0	\$0		\$0		\$544,784
2036	4.75%	74.00	0.301647	\$0	0.66458	\$0	\$0	\$0		\$0		\$544,784
2037	4.75%	75.00	0.287968	\$0	0.63494	\$0	\$0	\$0		\$0		\$544,784
2038	4.75%	76.00	0.274910	\$0	0.60358	\$0	\$0	\$0		\$0		\$544,784
2039	4.75%	77.00	0.262444	\$0	0.57053	\$0	\$0	\$0		\$0		\$544,784
2040	4.75%	78.00	0.250543	\$0	0.53591	\$0	\$0	\$0		\$0		\$544,784
2041	4.75%	79.00	0.239182	\$0	0.49994	\$0	\$0	\$0		\$0		\$544,784
2042	4.75%	80.00	0.228336	\$0	0.46291	\$0	\$0	\$0		\$0		\$544,784
2043	4.75%	81.00	0.217982	\$0	0.42519	\$0	\$0	\$0		\$0		\$544,784
2044	4.75%	82.00	0.208097	\$0	0.38721	\$0	\$0	\$0		\$0		\$544,784
2045	4.75%	83.00	0.198661	\$0	0.34945	\$0	\$0	\$0		\$0		\$544,784
2046	4.75%	84.00	0.189652	\$0	0.31239	\$0	\$0	\$0		\$0		\$544,784
2047	4.75%	85.00	0.181052	\$0	0.27652	\$0	\$0	\$0		\$0		\$544,784
2048	4.75%	86.00	0.172842	\$0	0.24218	\$0	\$0	\$0		\$0		\$544,784
2049	4.75%	87.00	0.165005	\$0	0.20978	\$0	\$0	\$0		\$0		\$544,784
2050	4.75%	88.00	0.157522	\$0	0.17954	\$0	\$0	\$0		\$0		\$544,784
2051	4.75%	89.00	0.150379	\$0	0.15174	\$0	\$0	\$0		\$0		\$544,784
2052	4.75%	90.00	0.143560	\$0	0.12650	\$0	\$0	\$0		\$0		\$544,784
2053	4.75%	91.00	0.137050	\$0	0.10396	\$0	\$0	\$0		\$0		\$544,784
2054	4.75%	92.00	0.130836	\$0	0.08416	\$0	\$0	\$0		\$0		\$544,784
2055	4.75%	93.00	0.124903	\$0	0.06707	\$0	\$0	\$0		\$0		\$544,784
SUMS:				\$691,191		\$544,459	\$326	\$691,517		\$544,784		

Pension Loss Estimates

Date of Analysis:		28-Oct-05	PENSION SUMMARY SHEET	
Name:	Price			
Attorney' Name:	Haverly			
Income Replaced:	After-Tax		Pension Losses:	\$676,422
PAST LOSSES:	12/31/2004	To:	12/31/2004	
FUTURE LOSSES:	1/1/2005	To:	1/1/2018	\$0
Sum of Losses, If Party Lived to End of Life Table:			114.00	\$0
Sum of Losses, Reduced for Survival Probability to Age:				\$0
Annuity Value of Net Future Losses, PBGC Taxable Annuity Price:				\$2,027,551
Annuity Value of Approximate Tax on Compensation:				\$614,670
Current Market Price to Buy Annuity equal to Future losses, Payment Stream Only:				\$81,752
MARKET PRICE TO REPLACE FUTURE LOSSES, MONTH OF:			Oct-05	\$676,422
DATA, ASSUMPTIONS, IMPLIED GROWTH				
Pension Benefit at Loss Start Date:		01-Jan-18		
Pension Benefit as of Today, No Term:		28-Oct-05		\$124,238 \$35,803
PBGC Instruction Set, Rate for First 20 Years	3.50%	PBGC Rate Years Thereafter:		4.75%
Alternative Used for Analysis, Direct Discounting:				#N/A
Annuity Price with Tax Adjustment Comparable to Tax-Free Bond Yield of:				4.07%
Date of Birth of Party:	02-Jan-63	Date Injury First Caused Reduction in Pension		
Pension Age	55.00	Pension Age, End of Yr.	55.00	Exact Age on Analysis Date:
		Date of Term:	10/15/2005	Exact Age when Termined
Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, At Term				42.82
Normal Life Expectancy, PBGC Life Tables, 83 Group Annuity Mortality Table, Today:				42.78
				36.12
				37.06
				36.12
TAXES		Reported Life Expectancy at Injury:		
Average Effective Earned Income Tax Rate, No Event, State & Federal:				
Average Effective Earned Income Tax Rate, Event, State & Federal:				#DIV/0!
Marginal Tax Rate on Compensation, State & Federal:				#DIV/0!
Average Tax Rate including Compensation, State & Federal:				9.13% 9.50%

Pension Loss Estimates

Year	SSA Nominal Pension Growth No Term	Age	PAST & EXPECTED PENSION LOSSES								
			Gross Pension 2005\$	Converted To Current Dollars	Estimated Taxes on Pension	Pension No Term	Pension Growth Termed	Gross Pension Termed	Estimated Taxes on Pension	Pension Given Term	Estimated Losses Current \$
2017											
2018		55.99	\$88,911	\$123,983	\$21,338	\$102,644					
2019	3.0%	56.99	\$88,911	\$127,717	\$22,025	\$105,692	3.0%	\$51,430	\$5,640	\$44,286	\$58,358
2020	2.8%	57.99	\$88,911	\$131,293	\$22,659	\$108,634	2.8%	\$52,870	\$5,837	\$45,592	\$60,100
2021	2.8%	58.99	\$88,911	\$134,969	\$23,311	\$111,658	2.8%	\$54,350	\$6,018	\$46,851	\$61,782
2022	2.8%	59.99	\$88,911	\$138,748	\$23,981	\$114,767	2.8%	\$55,872	\$6,204	\$48,146	\$63,512
2023	2.8%	60.99	\$88,911	\$142,633	\$24,670	\$117,963	2.8%	\$57,436	\$6,396	\$49,476	\$65,291
2024	2.8%	61.99	\$88,911	\$146,627	\$25,378	\$121,248	2.8%	\$59,045	\$6,582	\$50,844	\$67,119
2025	2.8%	62.99	\$88,911	\$150,732	\$28,106	\$124,626	2.8%	\$60,698	\$6,794	\$52,250	\$68,998
2026	2.8%	63.99	\$88,911	\$154,953	\$26,855	\$128,098	2.8%	\$62,397	\$7,002	\$53,696	\$70,930
2027	2.8%	64.99	\$88,911	\$159,291	\$27,624	\$131,667	2.8%	\$64,145	\$7,216	\$55,182	\$72,916
2028	2.8%	65.99	\$88,911	\$163,751	\$28,415	\$135,336	2.8%	\$65,941	\$7,435	\$56,709	\$74,958
2029	2.8%	66.99	\$88,911	\$168,337	\$29,229	\$139,108	2.8%	\$67,787	\$7,661	\$58,280	\$77,057
2030	2.8%	67.99	\$88,911	\$173,050	\$30,065	\$142,985	2.8%	\$69,685	\$7,893	\$59,894	\$79,214
2031	2.8%	68.99	\$88,911	\$177,895	\$30,924	\$146,971	2.8%	\$71,636	\$8,132	\$61,553	\$81,432
2032	2.8%	69.99	\$88,911	\$182,876	\$31,807	\$151,059	2.8%	\$73,642	\$8,377	\$63,259	\$83,712
2033	2.8%	70.99	\$88,911	\$187,997	\$32,715	\$155,282	2.8%	\$75,704	\$8,629	\$65,013	\$86,056
2034	2.8%	71.99	\$88,911	\$193,261	\$33,649	\$159,612	2.8%	\$77,824	\$8,888	\$66,816	\$88,466
2035	2.8%	72.99	\$88,911	\$198,672	\$34,609	\$164,064	2.8%	\$80,003	\$9,154	\$68,669	\$90,943
2036	2.8%	73.99	\$88,911	\$204,235	\$35,595	\$168,640	2.8%	\$82,243	\$9,428	\$70,574	\$93,489
2037	2.8%	74.99	\$88,911	\$209,954	\$36,609	\$173,344	2.8%	\$84,546	\$9,710	\$72,533	\$96,107
2038	2.8%	75.99	\$88,911	\$215,832	\$37,652	\$178,180	2.8%	\$86,913	\$9,999	\$74,546	\$98,798
2039	2.8%	76.99	\$88,911	\$221,876	\$38,724	\$183,152	2.8%	\$89,346	\$10,297	\$76,616	\$101,564
2040	2.8%	77.99	\$88,911	\$228,088	\$39,826	\$188,263	2.8%	\$91,848	\$10,603	\$78,744	\$104,408
2041	2.8%	78.99	\$88,911	\$234,475	\$40,958	\$193,516	2.8%	\$94,420	\$10,917	\$80,931	\$107,331
2042	2.8%	79.99	\$88,911	\$241,040	\$42,123	\$198,917	2.8%	\$97,064	\$11,240	\$83,180	\$110,337
2043	2.8%	80.99	\$88,911	\$247,789	\$43,320	\$204,469	2.8%	\$99,781	\$11,572	\$85,491	\$113,426
2044	2.8%	81.99	\$88,911	\$254,727	\$44,550	\$210,177	2.8%	\$102,575	\$11,914	\$87,867	\$116,602
2045	2.8%	82.99	\$88,911	\$261,859	\$45,815	\$216,044	2.8%	\$105,447	\$12,265	\$90,310	\$119,867
2046	2.8%	83.99	\$88,911	\$269,192	\$47,115	\$222,076	2.8%	\$108,400	\$12,626	\$92,821	\$123,223
2047	2.8%	84.99	\$88,911	\$276,729	\$48,452	\$228,277	2.8%	\$111,435	\$12,997	\$95,403	\$126,673
2048	2.8%	85.99	\$88,911	\$284,477	\$49,826	\$234,651	2.8%	\$114,555	\$13,378	\$98,057	\$130,220
2049	2.8%	86.99	\$88,911	\$292,443	\$51,239	\$241,204	2.8%	\$117,763	\$13,771	\$100,785	\$133,866
2050	2.8%	87.99	\$88,911	\$300,631	\$52,691	\$247,940	2.8%	\$121,060	\$14,174	\$103,589	\$137,615
2051	2.8%	88.99	\$88,911	\$309,049	\$54,184	\$254,865	2.8%	\$124,450	\$14,588	\$106,472	\$141,468
2052	2.8%	89.99	\$88,911	\$317,702	\$55,719	\$261,983	2.8%	\$127,934	\$15,014	\$109,436	\$145,429
2053	2.8%	90.99	\$88,911	\$326,598	\$57,296	\$269,301	2.8%	\$131,517	\$15,452	\$112,482	\$149,501
2054	2.8%	91.99	\$88,911	\$335,742	\$58,918	\$276,824	2.8%	\$135,199	\$15,902	\$115,614	\$153,687
2055	2.8%	92.99	\$88,911	\$345,143	\$60,585	\$284,558	2.8%	\$138,985	\$16,365	\$118,834	\$157,990
2056	2.8%	93.99	\$88,911	\$354,807	\$62,299	\$292,508	2.8%	\$142,876	\$16,841	\$122,144	\$162,414
2057	2.8%	94.99	\$88,911	\$364,742	\$64,061	\$300,681	2.8%	\$146,877	\$17,330	\$125,546	\$166,962
2058	2.8%	95.99	\$88,911	\$374,955	\$65,872	\$309,082	2.8%	\$150,989	\$17,833	\$129,044	\$171,636
2059	2.8%	96.99	\$88,911	\$385,453	\$67,734	\$317,719	2.8%	\$155,217	\$18,349	\$132,640	\$176,442
2060	2.8%	97.99	\$88,911	\$396,246	\$69,649	\$328,598	2.8%	\$159,563	\$18,881	\$136,336	\$181,383
2061	2.8%	98.99	\$88,911	\$407,341	\$71,616	\$335,725	2.8%	\$164,031	\$19,427	\$140,136	\$186,461
2062	2.8%	99.99	\$88,911	\$418,746	\$73,639	\$345,108	2.8%	\$168,624	\$20,566	\$144,058	\$191,682
2063	2.8%	100.99	\$88,911	\$430,471	\$75,718	\$354,753	2.8%	\$173,345	\$21,159	\$152,186	\$202,567
2064	2.8%	101.99	\$88,911	\$442,525	\$77,856	\$364,669	2.8%	\$178,199	\$21,769	\$156,430	\$208,239
2065	2.8%	102.99	\$88,911	\$454,915	\$80,054	\$374,862	2.8%	\$183,188	\$22,396	\$160,792	\$214,069
2066	2.8%	103.99	\$88,911	\$467,653	\$82,313	\$385,340	2.8%	\$188,318	\$23,041	\$165,277	\$220,063
2067	2.8%	104.99	\$88,911	\$480,747	\$84,635	\$396,112	2.8%	\$193,591	\$23,703	\$169,887	\$226,225
2068	2.8%	105.99	\$88,911	\$494,208	\$87,022	\$407,186	2.8%	\$199,011	\$24,384	\$174,627	\$232,559
SUMS:					\$2,399,027				\$661,747		

Pension Loss Estimates

ANNUITY COST TO REPLACE LOST PENSION

Year	PBGC RATES	Age	Estimated Losses Current \$	Actuarial Adjustment Current \$	Mkt.Value @ PBGC 2004\$	Adjustment Required Current \$	Payment Required Current \$	Actuarial Adjustment Current \$	Mkt. Value Tax Adjusted 2004\$	Cumulative Losses
2017	0.00%	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	3.50%	55.99	\$58,358	\$54,541	\$34,874	\$5,870	\$64,228	\$60,027	\$38,381	\$38,381
2019	3.50%	56.99	\$60,100	\$55,797	\$34,470	\$6,037	\$66,137	\$61,402	\$37,933	\$76,314
2020	3.50%	57.99	\$61,782	\$56,950	\$33,993	\$6,206	\$67,989	\$62,671	\$37,408	\$113,722
2021	3.50%	58.99	\$63,512	\$58,092	\$33,502	\$6,380	\$69,893	\$63,928	\$36,868	\$150,590
2022	3.50%	59.99	\$65,291	\$59,218	\$32,997	\$6,559	\$71,849	\$65,167	\$36,311	\$186,901
2023	3.50%	60.99	\$67,119	\$60,319	\$32,473	\$6,743	\$73,861	\$66,378	\$35,736	\$222,637
2024	3.50%	61.99	\$68,998	\$61,384	\$31,929	\$6,931	\$75,929	\$67,550	\$35,137	\$257,773
2025	4.75%	62.99	\$70,930	\$62,400	\$24,668	\$7,125	\$78,055	\$68,669	\$27,144	\$284,918
2026	4.75%	63.99	\$72,916	\$63,352	\$23,907	\$7,325	\$80,241	\$69,717	\$26,309	\$311,226
2027	4.75%	64.99	\$74,958	\$64,223	\$23,137	\$7,530	\$82,488	\$70,675	\$25,461	\$336,687
2028	4.75%	65.99	\$77,057	\$64,992	\$22,352	\$7,741	\$84,797	\$71,521	\$24,597	\$361,285
2029	4.75%	66.99	\$79,214	\$65,637	\$21,550	\$7,958	\$87,172	\$72,231	\$23,715	\$385,000
2030	4.75%	67.99	\$81,432	\$66,139	\$20,730	\$8,180	\$89,613	\$72,783	\$22,813	\$407,813
2031	4.75%	68.99	\$83,712	\$66,479	\$19,892	\$8,409	\$92,122	\$73,158	\$21,890	\$429,703
2032	4.75%	69.99	\$86,056	\$66,645	\$19,037	\$8,645	\$94,701	\$73,340	\$20,950	\$450,653
2033	4.75%	70.99	\$88,466	\$66,625	\$18,189	\$8,887	\$97,353	\$73,318	\$19,994	\$470,647
2034	4.75%	71.99	\$90,943	\$66,411	\$17,289	\$9,136	\$100,079	\$73,083	\$19,026	\$489,673
2035	4.75%	72.99	\$93,489	\$65,993	\$16,401	\$9,392	\$102,881	\$72,622	\$18,049	\$507,721
2036	4.75%	73.99	\$96,107	\$65,352	\$15,505	\$9,655	\$105,761	\$71,917	\$17,063	\$524,785
2037	4.75%	74.99	\$98,798	\$64,468	\$14,602	\$9,925	\$108,723	\$70,945	\$16,069	\$540,854
2038	4.75%	75.99	\$101,564	\$63,318	\$13,691	\$10,203	\$111,767	\$69,679	\$15,067	\$555,920
2039	4.75%	76.99	\$104,408	\$61,876	\$12,773	\$10,489	\$114,896	\$68,092	\$14,056	\$569,976
2040	4.75%	77.99	\$107,331	\$60,126	\$11,849	\$10,782	\$118,114	\$68,166	\$13,039	\$583,015
2041	4.75%	78.99	\$110,337	\$58,059	\$10,922	\$11,084	\$121,421	\$63,891	\$12,020	\$595,035
2042	4.75%	79.99	\$113,426	\$55,678	\$10,000	\$11,394	\$124,821	\$61,271	\$11,004	\$606,039
2043	4.75%	80.99	\$116,602	\$52,997	\$9,087	\$11,713	\$128,316	\$58,321	\$9,999	\$616,038
2044	4.75%	81.99	\$119,867	\$50,042	\$8,191	\$12,041	\$131,908	\$55,069	\$9,014	\$625,052
2045	4.75%	82.99	\$123,223	\$46,848	\$7,320	\$12,379	\$135,602	\$51,555	\$8,056	\$633,108
2046	4.75%	83.99	\$126,673	\$43,463	\$6,483	\$12,725	\$139,399	\$47,829	\$7,135	\$640,243
2047	4.75%	84.99	\$130,220	\$39,942	\$5,688	\$13,082	\$143,302	\$43,954	\$6,259	\$646,502
2048	4.75%	85.99	\$133,866	\$36,345	\$4,941	\$13,448	\$147,314	\$39,996	\$5,437	\$651,939
2049	4.75%	86.99	\$137,615	\$32,723	\$4,247	\$13,824	\$151,439	\$36,011	\$4,674	\$656,613
2050	4.75%	87.99	\$141,468	\$29,136	\$3,610	\$14,211	\$155,679	\$32,063	\$3,973	\$660,586
2051	4.75%	88.99	\$145,429	\$25,637	\$3,032	\$14,609	\$160,038	\$28,212	\$3,337	\$663,923
2052	4.75%	89.99	\$149,501	\$22,273	\$2,515	\$15,018	\$164,519	\$24,511	\$2,768	\$666,690
2053	4.75%	90.99	\$153,687	\$19,089	\$2,058	\$15,439	\$169,126	\$21,007	\$2,264	\$668,955
2054	4.75%	91.99	\$157,990	\$16,126	\$1,660	\$15,871	\$173,861	\$17,746	\$1,826	\$670,781
2055	4.75%	92.99	\$162,414	\$13,421	\$1,318	\$16,316	\$178,730	\$14,769	\$1,451	\$672,232
2056	4.75%	93.99	\$166,962	\$10,996	\$1,031	\$16,772	\$183,734	\$12,100	\$1,135	\$673,367
2057	4.75%	94.99	\$171,636	\$8,840	\$792	\$17,242	\$188,879	\$9,728	\$871	\$674,238
2058	4.75%	95.99	\$176,442	\$6,961	\$595	\$17,725	\$194,167	\$7,660	\$655	\$674,893
2059	4.75%	96.99	\$181,383	\$5,378	\$439	\$18,221	\$199,604	\$5,918	\$483	\$675,376
2060	4.75%	97.99	\$186,461	\$4,069	\$317	\$18,731	\$205,193	\$4,478	\$349	\$675,724
2061	4.75%	98.99	\$191,682	\$3,008	\$224	\$19,256	\$210,938	\$3,311	\$246	\$675,971
2062	4.75%	99.99	\$197,049	\$2,167	\$154	\$19,795	\$216,844	\$2,385	\$169	\$676,140
2063	4.75%	100.99	\$202,567	\$1,517	\$103	\$20,349	\$222,916	\$1,669	\$113	\$676,253
2064	4.75%	101.99	\$208,239	\$1,028	\$66	\$20,919	\$229,158	\$1,131	\$73	\$676,326
2065	4.75%	102.99	\$214,069	\$671	\$41	\$21,505	\$235,574	\$738	\$46	\$676,372
2066	4.75%	103.99	\$220,063	\$418	\$25	\$22,107	\$242,170	\$460	\$27	\$676,399
2067	4.75%	104.99	\$226,225	\$246	\$14	\$22,726	\$248,954	\$271	\$15	\$676,414
2068	4.75%	105.99	\$232,559	\$134	\$7	\$23,362	\$255,922	\$148	\$8	\$676,422
SUMS:			\$2,027,551	\$614,670				\$2,231,240	\$676,422	